



**Cheshire and Warrington Local Enterprise Partnership
Performance and Investment Committee**

Wednesday 16th December 2020 12.30-2.30

By teams meeting:

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Conference ID: 938 266 942#

Attending: Chris Hindley (Chair)
Stewart Brown, Catherine Walker, Paul Goodwin,
Peter Skates, Nichola Newton,
Joe Toward, Ian Brooks, Rachel Laver

Apologies: Alex Thompson,

Presentations:
Bill Carr – IOTA

AGENDA

Agenda Item		Lead	Timings
1	Welcome, introductions and apologies	Chair	2 mins
2	Conflicts of Interest	Chair	5 mins
3	(i) Minutes from the meeting of 2 nd December 2020	Chair	5 mins
	(ii) Actions Arising	Chair	5 mins
4	IOTA update	BC	10 mins
5	ESIF update	TS	10 mins
6	Delivery Plan – Infrastructure	RN/RL	15 mins
7	Programme manager update - Ellesmere Port OPE - NW Crewe Package - WBC sustainable travel schemes	RL	15 mins
8	WVR project match funding update	NN	5 mins
9	Publicity	RL	5 mins
	AOB	All	5 Mins
Dates of next meetings, time 1.30 pm and Venue Wyvern House, unless otherwise specified:			
27 th January 2021	Getting Building Fund – Chester Drainage Tunnel Accelerate presentation		

		Lilife Science Fund Delivery Plan update - EZ and Housing Quarterly report
	24 th February 2021	Delivery Plan update - Business Growth
	24 th March 2021	Delivery Plan update - Strategy
	28 th April 2021	Delivery Plan update - Marketing Delivery Plan update Quarterly report
	26 th May 2021	Delivery Plan update – Skills
	23 rd June 2021	Delivery Plan update -
	28 th July 2021	Quarterly Report Delivery Plan update all
	25 th August 2021	
	22 nd September 2021	
	27 th October 2021	Quarterly Report Delivery Plan update all
	24 th November 2021	
	22 nd December 2021	



**Minutes of the Cheshire and Warrington Local Enterprise Partnership
Performance and Investment Committee Meeting
held on 2nd December 2020 at 1.30 via Teams**

In attendance: Chris Hindley (Chairman), Catherine Walker, Paul Goodwin, Peter Skates, Stewart Brown, Nichola Newton, Rachel Laver, Stephen Kinsey (part)

Apologies: Joe Toward, Ian Brooks, Alex Thompson

Presentations on Skills Funding – Sarah Williams and Pat Jackson
Warrington Bus Depot – John Laverick
Alderley Park Centre of Excellence- Peter Simpson, Sally Price and Marc Daigneault

Item No.	Item	To be Actioned by	By When
1.	<p>Welcome, Introductions and Apologies</p> <p>Apologies from IB and AT.</p> <p>CH thanks SK for joining the meeting which would ensure it was quorate as CH would need to step out for item 8 due to a conflict of interest.</p> <p>Due to the Corona Virus meeting held via Teams</p>		
2	<p>Conflicts of Interest CH asked for any conflicts to be declared.</p> <p>Declarations of interest: CH Declared an interest in item 8, the allocation of skills funding. CH confirmed he would step out of the meeting for this item and SK would chair the meeting.</p> <p>PG confirmed that he was attending the meeting in the capacity as S151.</p> <p>PS asked whether he needed to declare an Interest due to the MDC proposal being considered which was at Alderley Park. Apart from the project being within CEC, the project won't have a direct benefit to CEC so no direct conflict apparent.</p> <p>SB declared an interest on item 7 and 10, Warrington Bus Depot and Warrington Smart Grid.</p> <p>PS and PG declared an interest in the Northwest Crewe cycling scheme</p>		
3	<p>Minutes and actions from the last meeting:</p>		

	<p>SW ran through the skills funding allocation paper. £102k left to allocate. She confirmed that each of the skills projects now has an Employment and Skills board sponsor.</p> <p>Lengthy discussions about the IOTA proposal for additional funding and how they're currently delivering the project. Number of issues and concerns apparent. Outputs as originally approved now felt by Carpe Diem to be achievable and not clear about the extent that the kit is being used in schools.</p> <p>SB confirmed that the Carpe Diem had moved out of the Pyramid building and now into another the Livewire building in Warrington which as a public building is currently closed due to Covid.</p> <p>Due to conflicting messages from Carpe Diem, it was agreed to invite them to the next meeting to do a presentation before a decision could be taken on awarding additional funds and to provide an opportunity to reset and approve potentially a different set of outputs and a revised delivery model.</p> <p>LiveWire – Submitted two proposals, which showed scalable version of what they'd like to use the additional funding for. SW confirmed that they had now spent the outstanding funding. An additional £9k was approved. RL to issue a revised offer letter.</p> <p>Yocto Digital - Again this project submitted a scalable version of what they like the funding for. Barclays are able to provide additional match funding and SW confirmed they Had started to deliver outputs. Additional £13 k approved.</p> <p>SW provided a NEETS update. The additional laptops would be allocated across colleges on a banded basis to be agreed, following confirmation of data which enabled areas to be prioritised based on needs.</p> <p>CH re-joined the meeting and SK left with the thanks of the committee members.</p>	RL	Dec
5	<p>BEEP project extension</p> <p>The extension of BEEP grant was formally agreed having been agreed by correspondence prior to the meeting.</p>		
6	<p>LGF quarterly report</p> <p>Committee confirmed that they were happy with the report which had been for approval by correspondence.</p>		
7	<p>Warrington Bus Depot</p> <p>JL gave a presentation on the Bus Depot project and its importance in terms of helping to regenerate Warrington Town Centre.</p> <p>The Full business case will be completed in January.</p>		

8	<p>Alderley Park Centre of Excellence</p> <p>SP led the presentation of the Centre of Excellence, giving an overview of its strategic importance, why it's needed and what the benefits would be.</p> <p>PS confirmed that companies can either rent the facilities or companies can pay them to run projects. Catapult are still working on the lease but not felt likely to be an issue. Bruntwood spending approximately £900k preparing the space for the lab to be built. This will be counted as match towards the project.</p> <p>PS confirmed that given they are funded by the government in five year settlements, they can't guarantee that they can meet the ongoing running costs of the facility as the current settlement expires in 2.5yrs, but as far as they can reasonably foresee, there shouldn't be an issue.</p> <p>While it was felt there would be limited things the project could do to improve its carbon footprint due to the technical requirements of the lab and the fact that Catapult will be tenants in a much bigger building, Catapult should look at this include what should now be standard on new builds, such as LED lights and light sensors.</p> <p>Committee approved the project with conditions detailed in the paper and asked that they also engage with Universities.</p> <p>RL is to issue offer letter.</p>	RL	Dec
9	<p>Risk Register</p> <p>Risk register reviewed and deemed appropriate. RL to delete duplicate HS2 risk.</p>	RL	Dec
10	<p>Delivery Plan Update</p> <p>Brief review of the delivery plan and progress. Website delayed but expected to go live in the New year.</p>		
11	<p>Programme Manager Update</p> <p>RL ran through the report.</p> <p>Good progress has been made on spend, with 90% of q2 profile achieved. Majority of remaining funding is due to be spent in Q3 and while the programme isn't without risk, overall the position looks fairly good. Many of the skills projects have now spent all the LGF but some are forecasting spend all the way up to the end of Q4 which presents a risk, but all projects are aware of the need to spend by the end of q4. Brexit may present a further risk to delivery; we are already aware of the issues WVR are having getting the lathes they ordered.</p>		

	<p>CH asked RL to check where the van for the UOC project was coming from to see if that was also at risk of delay.</p> <p>RL updated on Warrington Sustainable travel schemes and expressed disappointment that despite repeatedly expressing concerns about delivery timescales for these projects WBC had approached her about moving the spend into 22/22. RL had explained this wasn't possible and is working with WBC on a solution to enable all the LGF to be spent this financial year.</p> <p>SB to escalate concerns about the projects.</p> <p>Warrington Smart Grid hasn't spent any funding yet. They've had difficulty setting up a bank account but also haven't yet developed relationships with the house builders or SMEs. Position to be reviewed at the next meeting with a view to splitting the project if sufficient progress not made. RL to update.</p> <p>Outputs fully updated and split by theme to make them easier to understand the impact of different initiatives. Contracted outputs won't increase now apart from the small number of outputs associated with the remaining skills funding.</p>	<p>RL</p> <p>RL</p> <p>SB</p> <p>RL</p>	<p>Dec</p> <p>Dec</p> <p>Dec</p> <p>Dec</p>
12	<p>Cheshire and Warrington Development Fund (Evergreen Fund) First investment agreed. Second expected before Christmas.</p>		
13	<p>ESIF update Due to technical problems, the ESIF update will be given at the next meeting.</p>		
14	<p>AOB – Next meeting 16th December</p>		



Cheshire & Warrington Local Enterprise Partnership

Title: Update on Remaining Local Growth Fund Skills Funding

Prepared by Pat Jackson and Sarah Williams

Date: 11th November 2020

1. Purpose

The purpose of this paper is to:

- Note progress in issuing contracts for the remaining £102k of Local Growth Fund Skills investment
- Seek approval for the proposals submitted for further investment of £30k for Equipment to Support Local Growth Fund Skills Projects in their Response to Covid-19

2. Progress in issuing contracts for the remaining £102k of Local Growth Fund Skills investment

At the Employers' Skills and Education Board on 16 September and Performance and Investment Committee meeting on 23 October it was agreed that the remaining £102k of Local Growth Fund Skills investment would be used as follows:

- Use £30k of the remaining funds to support 4 of the 15 already contracted LGF skills projects that are performing well and have a cost benefit ratio (BCR) of between £16 : 1 and £36 : 1, to assist them in moving some of their delivery online as a response to Covid-19 restrictions. The projects would be invited to submit proposals for the additional funding and will be required to increase their outputs.
- Use £27,800 of the investment to extend the Widening Access to Technology and Digital Skills project to additional communities north and east of Crewe, to support learners on smaller programmes and those applying for jobs online.
- Use £45k of the remaining funds to provide laptops to a targeted group of 16-19 year olds who are transitioning from school to FE college and in danger of becoming NEET over the next few months. The laptops would be part of a wider package of support provided by our colleges to encourage our most disadvantaged students to stay in education. The £50k would provide up to 180 laptops. The investment would be led by one of our local colleges on behalf of the other colleges. The funding will be allocated based on the number of students who live in areas with the highest Income Deprivation Affecting Children Index (IDACI).

2.1 Allocation of £30k for equipment to support Local Growth Fund Skills projects in their response to Covid-19

Four projects were invited to submit proposals for use of additional £30k of submit to support their Local Growth Fund projects to move more of their delivery online, widen access and extend the scope of their project. The projects invited to submit proposals were:

- Yocto.Digital – Youth Federation
- IOTA – Carpe Diem
- Made.Digital – Live Wire / Culture Warrington
- Community Libraries Project – Warrington and Vale Royal College

Projects were invited to submit proposals for:

- Option A - the ideal amount required to assist the project
- Option B - an allocation of a maximum of £7.5k (in the case that all 4 projects submitted proposals and we had to limit the amount)

Proposals were received from:

- IOTA – Carpe Diem
- Made.Digital – Live Wire / Culture Warrington
- Yocto.Digital – Youth Federation

Warrington and Vale Royal declined the invitation to submit a proposal as online delivery would not be a suitable delivery method for their target audience.

Details of the proposals submitted that we are asking Members to approve are summarised below.

2.1.1 Proposal from IOTA – Carpe Diem

The project has requested funding of £7,500 to enable the setup of a more flexible video recording facility and to support the additional requirement for online/digital asset creation and delivery.

In additional, the portable nature of the equipment will allow for better utilisation in variety of locations. The Adobe Creative Cloud software licensing is now essential for the increased demand of video and digital asset production.

Information on outputs is currently being clarified and will be available for Employers' Board meeting on 18 November 2020.

Additional Outputs

Outputs Years ended (31 March)	Local Growth Fund Additional contribution of £7,500
Number of individual learners benefitting leading to a qualification.	
Number of individual learners benefitting not leading to a qualification.	
New jobs created connected to the intervention.	
Number of schools and colleges engaged.	
Number of businesses benefitting.	
New learning space created m2	
Private sector Match	

The project has spent all of its original £118k funding and made progress in the delivery of outputs. However as a result of Covid the project has arranged to swap some of the smaller items of original equipment which are difficult to clean with equipment that is more easily recycled. We are still awaiting precise details of this change. We would recommend approval of the addition £7.5k on the condition we are provided with the information about the swapped equipment.

2.1.2 Proposal from Made.Digital – Live Wire / Culture Warrington

Made.Digital's reach so far has been through the Livewire Warrington's Library and community hubs via workshops and online content. The additional funding will enable the project to move more of their programme online, enable artists and local businesses to test new ways of digital working and develop the digital skill set of their staff. This will futureproof the organisation enabling them to widen the scope of the Made.Digital project, promote home learning of key digital skills and support a new cultural digital offer reaching new audiences.

The project has requested funding of £17,209 to purchase video recording equipment, streaming equipment and wifi routers. They have advised that £7,353 funding would provide a scaled down version of the proposal with fewer staff trained, fewer artists and small businesses engaged and reduced capacity for audience engagement.

Additional Outputs

Outputs Years ended (31 March)	Local Growth Fund Additional contribution of £17, 209	Local Growth Fund Additional contribution of £7,353
Number of individual learners benefitting leading to a qualification.	60	60
Number of individual learners benefitting not leading to a qualification.	160	17
Learners benefitting through online training	234,885	78,295
New jobs created connected to the intervention.	0	0
Number of schools and colleges engaged.	0	0
Number of businesses benefitting.	162	15
New learning space created m2	0	0
Private sector Match	£149,400	£19,350

The project is delivering taster sessions to a large numbers of learners and has started delivering on outcomes. The project has not fully spent all of the original capital allocation, this was due to furloughing of staff when the libraries closed. The project has provided assurance that all of the original allocation will be spent before Employers' Board meeting on 18 November 2020. If all of the original allocation is spent by 18 November we would recommend allocating £9k to this project that is approximately just over half of the £17, 209 requested.

2.1.3 Proposal from Yocto.Digital – Youth Federation

Youth Fed planned to open the Daresbury Security Operations Centre in March 2020. The opening has been postponed as a result of Covid. The project is now planning delivery via blended and online services. The key item needed to deliver the proposed e-Learning services is a Learning Management System (LMS).

Youth Fed have said they would like to procure an LMS licence for either 3 or 2 years. The cost of the licence for 3 years is £39,785 and the cost of the licence for 2 years is £21,420. However they are asking for £7,500 contribution to a 2 year licence to be matched with £13,920 funding from Barclays and Youth Fed and for a £25,865 contribution to a 3 year licence also matched with £13,920 from Barclays and Youth Fed.

Additional Outputs

Outputs Years ended (31 March)	Local Growth Fund Additional contribution of £7,500	Local Growth Fund Additional contribution of 25,865
Number of individual learners benefitting leading to a qualification.	162	97
Number of individual learners benefitting not leading to a qualification.	1,118	767
New jobs created connected to the intervention.	0	0
Number of schools and colleges engaged.	40	25
Number of businesses benefitting.	96	55
New learning space created m2	0	0
Private sector Match	£13,920	£13,920

To date Youth Fed have spent all their initial £17,398 allocation of funding but will not start delivering outputs until next month. This project is delivering relatively high intensity learning to fewer learners and in response to our queries is also proposing to run some taster sessions which would deliver larger volumes of outputs in addition to the figures shown above. We are confident any additional funding allocated to them would help to secure the longer term sustainability of the project but an additional an additional £13,500 (the remainder of the funding available) would only contribute 50% towards the cost of the 3rd year contract and would need more matched funding from the project. If this matched funding can be found then we would recommend allocating £13,500 to this project, which is approximately half of the £25,865 they have asked for.

2.1.4 Recommendations

It is recommended that all of the 3 projects that submitted proposals are awarded additional funding as follows:

Project	Additional Allocation
IOTA	£7,500
Made.Digital	£9,000
Yocto.Digital	£13,500

2.2 Allocation of an additional £27,800 of funds to extend the Widening Access to Technology and Digital Skills Project to additional community settings

When the Widening Access to Technology and Digital Skills project was originally approved it was the last project to be approved and therefore funding was limited and at the time of approval there were some concerns that the project would ideally have a wider geographical coverage.

When one of the original projects that was approved did not proceed the employers' Skills and Education Board agreed to allocate £27,800 to extend the Widening Access to Technology and

Digital Skills project to additional communities north and east of Crewe, to support learners on smaller programmes and those applying for jobs online.

The project has now submitted details of how the additional funding will be used. This is currently being reviewed subject to a number of minor queries an extension of the original contract will be issued.

2.3 Investment £45k in Equipment to Support Resourcing a Programme Aimed at 16-25 Year Olds at Risk of becoming NEET due to Covid-19

When one of the original projects that was approved did not proceed the employers' Skills and Education Board agreed to allocate £45k to Cheshire College South and West as the lead partner for a project that will provide equipment for young people at risk of becoming NEET.

Cheshire College South and West will purchase equipment on behalf of all five colleges involved:

- Cheshire College South & West
- Macclesfield College
- Priestley College
- Reaseheath College
- Warrington & Vale Royal College

A business case has been submitted and the LEP is in the process of gathering data from the colleges to inform allocation of the funding based on IDACI Decile 1 and 2. There are some questions that need further clarification before the offer letter is sent. This information will be available in time for the Employers' Board meeting on 18 November 2020.

**Cheshire and Warrington Local Enterprise Partnership
Performance and Investment Committee**

Title: ESIF Update

Agenda Item: xx

Prepared by: Tim Smith

Date of Meeting: 25th November 2020

1. ERDF (European Regional Development Fund)

The following projects are currently live.

<i>priority</i>	<i>project name</i>	<i>grant recipient</i>
1	Next Business Generation – Life Science Support Programme	BioCity Group Ltd
1	Northern Powerhouse Investment Fund	British Business Financial Services Ltd
1	SMART Cheshire	Manchester Metropolitan University
1	Innovation to Commercialisation (I2C)	University of Chester
1	UDF Cheshire and Warrington	Cheshire East Council
2	Digital 2020 Programme	Cheshire East Council
3	Cheshire and Warrington Growth Hub and Growth Advice Service	Blue Orchid Enterprise Solutions Ltd
3	Northern Powerhouse Investment Fund	British Business Financial Services Ltd
3	Enhancing SMEs International Trade Performance	Chamberlink Ltd
3	Support and Workspace for Business in Key Growth Sectors	Cheshire West and Chester Council
3	Pan-LEP Specialist Manufacturing Service	GM Business Support Ltd
3	Building Capacity and Capability in Health and Life Science Businesses (C&W)	Innovation Agency
3	Cheshire and Warrington Business Growth Programme	Northwest Universities European Unit
3	Helix Business Park, Newbridge Road, Ellesmere Port	Redsun Developments Ltd
3	Cheshire & Warrington SME Growth Grants	Blue Orchid Enterprise Solutions Ltd
3	Northern Powerhouse Export Grant Scheme	Department for International Trade (DIT)
3	UDF Cheshire and Warrington	Cheshire East Council
4	Northern Powerhouse Investment Fund	British Business Financial Services Ltd
4	Eco-Innovation - Cheshire and Warrington	University of Chester
4	UDF Cheshire and Warrington	Cheshire East Council

These projects are currently in the appraisal system. (Note – subject to confirmation from MHCLG.)

<i>priority</i>	<i>project name</i>	<i>grant recipient</i>
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1	BioHub: Accelerator and Scale-Up Programme	BioCity Group Ltd
1	Greater Innovation for Smarter Material Optimisation "GISMO"	Lancaster University
1	SMART Cheshire	Manchester Metropolitan University
1	Cheshire Advanced Manufacturing Centre (CAM)	Manchester Metropolitan University
1	Alderley Park Accelerator (extension)	BioCity Group Ltd
1	C&W 4.0	University of Liverpool
2	Digital Cheshire	Cheshire East Council
3	Pan LEP Specialist Manufacturing Service	GM Business Support Limited
3	Cheshire and Warrington Business Growth Programme	Northwest Universities European Unit Ltd
3	C&W Health MATTERS	Innovation Agency (the Academic Health Science Network for the North West Coast)
3	C&W Health Matters (extension)	Innovation Agency (the Academic Health Science Network for the North West Coast)
3	C&W Business Growth Programme (Phase 3)	Universities Economic Development Unit Ltd
3	Enhancing SME's International Trade Performance (extension)	Chamberlink Ltd
3	St James Business Centre	Wire Regeneration Ltd
3	Support and Space: The Port in Focus	Cheshire West and Chester Council
3	Support and Space: Winsford in Focus	Cheshire West and Chester Council
4	Cheshire & Warrington Low Carbon Investment Programme	Blue Orchid Enterprise Solutions Ltd
4	Energy Low Carbon Housing Support Ellesmere Port and Neston	Cheshire West and Chester Council
4	ECO-I North West	Lancaster University

Applications that were received for the final round of Cheshire and Warrington calls in 2019 amounted to more than the remaining budget available for Priority 3. A decision had to be made on which of the following capital expenditure / rebuild / refurbishment projects should be supported:

- St James Business Centre
- Support and Space: The Port in Focus
- Support and Space: Winsford in Focus

MHCLG recommended that St James Business Centre be prioritised and, after consultation with ESIF Committee, that project is now completing its full application.

Previous plans to have one final opportunity for potential bidders, via a National Reserve Fund, have changed in response to COVID19. For example, the Reopening High Streets Safely Fund, launched in summer 2020 is ERDF funding, clearly reducing any future budget available. Government no longer expects to launch England-wide ERDF Reserve Fund calls for proposals and will instead be using more targeted and rapid ways of funding remaining activities, such as through a commissioning model.

The Government's Q&A on COVID19 response, updated in November 2020, and specifically relating to ERDF is here:

<https://www.gov.uk/government/publications/european-structural-and-investment-funds-coronavirus-covid-19-response/european-regional-development-fund-2014-to-2020-programme-questions-and-answers-on-covid-19-response>

2. ESF (European Social Fund)

The following projects are currently live.

<i>priority</i>	<i>project name</i>	<i>grant recipient</i>
1.1	Skills Support for the Workforce	People Plus
1.2/1.4	Journey First	Cheshire East Council
1.4	New Leaf	Torus
2.1	Accelerate Cheshire and Warrington	University of Chester
2.2	The Pledge	Changing Young Lives Ltd

Where projects were originally scheduled to finish in 2021, namely Skills Support for the Workforce and New Leaf, discussions with their co-financing bodies, Education and Skills Funding Agency and National Lottery Community Fund respectively, about possible extensions into 2023 are ongoing. Any final recommendations would be put forward to ESIF Committee for consultation.

These applications were submitted in March 2020 and are now working their way through the appraisal system.

<i>priority</i>	<i>project name</i>	<i>grant recipient</i>
1.4	Parents First	Cheshire East Council
2.1	Level Up	University of Chester
2.2	Cheshire and Warrington Pledge Plus	Changing Young Lives

There is still budget in place for calls to an ESF National Reserve Fund. The LEP has had two proposals endorsed for more ESF funding for further activity in Cheshire and Warrington:

£2m (+£2m match funding required) for "people into jobs" type activity, particularly targeting

- newly unemployed
- young people, including school leavers, NEETs and at-risk-of-NEET
- over 50's

£2m (+£2m match funding required) for "workforce development" type activity, particularly targeting

- level 3 skills and higher
- STEM and digital skills
- leadership and management, coaching and mentoring, and entrepreneurial skills
- support for job creation and start-ups

The calls will be launched in the next few weeks, after endorsement by ESIF Committee and final ratification from DWP.

The Government's Q&A on COVID19 response, updated in November 2020, and specifically relating to ESF is here:

<https://www.gov.uk/government/publications/european-structural-and-investment-funds-coronavirus-covid-19-response/european-social-fund-2014-to-2020-programme-questions-and-answers-on-covid-19-response>

3. RDPE (Rural) Growth Programme

19 projects, totalling £2.65m, were contracted through 2 bidding rounds of the Cheshire and Warrington LEP area allocation of the programme. That represented full commitment of funds available, and that opportunity is now closed.



The European Agricultural Fund for Rural Development.
Europe investing in rural areas

LEP: Cheshire and Warrington
GROWTH Programme
2014 - 2020 European Agricultural Fund for Rural Development

Theme and Description	Food Processing	Support for investments in processing/marketing and/or development of agricultural products
	Business Development	Support for investments in creation and development of non-agricultural activities
	Tourism Infrastructure	Support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure

CLOSED Rounds Growth 2014-2016 (R1) Growth 2017-2018 (R2)	Food Processing		Business Development		Tourism Infrastructure		Total Growth Programme	
	Projects	Value	Projects	Value	Projects	Value	Projects	Value
In Process: FA in Process	0	£ -	0	£ -	0	£ -	0	£ -
Contracted: Project Ongoing	1	£ 401,600.00	5	£ 730,559.24	0	£ -	6	£ 1,132,159.24
Contracted: Project Closed	3	£ 343,748.70	8	£ 780,497.97	2	£ 394,524.16	13	£ 1,518,770.83
Unsuccessful Application/Project*	2	£ 200,000.00	18	£ 1,869,773.80	18	£ 2,217,225.48	38	£ 4,286,999.28
Total Project Applications	6	£ 945,348.70	31	£ 3,380,831.01	20	£ 2,611,749.64	57	£ 6,937,929.35
Committed		£ 745,348.70		£ 1,511,057.21		£ 394,524.16		£ 2,650,930.07
Total Paid		£ 679,602.56		£ 1,179,026.06		£ 358,930.96		£ 2,217,559.58
Claims to be paid		£ 65,600.00		£ 320,358.27		£ -		£ 385,958.27

Committed values are those originally awarded in the Grant Funding Agreements. These values will fluctuate in-line with approved project variations.

A National Reserve Fund ran until 31st October 2020, giving a further opportunity for applications. 79 Cheshire and Warrington bids were received, totalling £7.97m. The fund has been considerably oversubscribed, and 49 of those applications have been unsuccessful. That includes withdrawn applications and projects, rejected applications, applications that failed completeness checks, and terminated projects that never started. However, 1 project is now live, 12 are at full application stage, and a further 17 have been endorsed to progress to full application.

Growth 2019-2020 (R3) Open	Food Processing		Business Development		Tourism Infrastructure		Total Growth Programme	
	Projects	Value	Projects	Value	Projects	Value	Projects	Value
In Process: EOI in Process	0	£ -	0	£ -	0	£ -	0	£ -
In Process: EOI Endorsed to FA	2	£ 330,000.00	10	£ 1,089,131.60	5	£ 354,600.00	17	£ 1,773,731.60
In Process: FA in Process	1	£ 248,373.86	7	£ 876,023.14	4	£ 450,648.21	12	£ 1,575,045.21
Contracted: Project Ongoing	0	£ -	1	£ 35,048.80	0	£ -	1	£ 35,048.80
Contracted: Project Closed	0	£ -	0	£ -	0	£ -	0	£ -
Unsuccessful Application/Project*	7	£ 771,300.00	17	£ 1,861,426.58	25	£ 1,955,880.96	49	£ 4,588,607.54
Total Project Applications	10	£ 1,349,673.86	35	£ 3,861,630.12	34	£ 2,761,129.17	79	£ 7,972,433.15
Committed		£ -		£ 35,048.80		£ -		£ 35,048.80
Total Paid		£ -		£ -		£ -		£ -
Claims to be paid		£ -		£ 35,048.80		£ -		£ 35,048.80

Committed values are those originally awarded in the Grant Funding Agreements. These values will fluctuate in-line with approved project variations.

DRAFT



**Cheshire & Warrington Local Enterprise Partnership
Performance and Investment Committee**

Title: Programme Manager Update Report

Agenda item:7

Prepared by Rachel Laver

Date of Report: 16th December 2020

1. Executive Summary

As it's only two weeks since the last meeting the update report is brief and concentrates only on those projects that have significantly changed or need a decision approving.

With three and half months to go to spend all the LGF the programme continues to look in quite good health, but we can only succeed in fully spending the grant funding if all those projects with funding remaining to be spent, keep up the momentum and raise issues at the earliest opportunity so that we can help.

The attached RAG report shows the status of all projects. Projects are only reported by exception below.

1.1. Energy Fund

1.1.1. Net Zero Cheshire – EA technology

The project has now submitted the first claim for work completed to date. They are still in the process of getting quotes for kit including the EV charging network and Battery storage system but expect to place orders in January. The pace of delivery is disappointing, but by agreeing to pay for the elements of the project that EA had already completed themselves has enabled 69% of the grant to be claimed, reducing the risk of the project not spending the grant on time. They have made good progress with developing the website which will be used to disseminate the findings of the project. It is suggested that a future P&I meeting is held at the building so that committee members can have a tour of the building and see the different technologies in-situ.

1.1.2. Warrington Smart Grid

Progressive Energy have made remarkably quick progress following the setting up of their bank account. They have submitted a claim for £258k (73% of their grant), but progress with getting the kit into any buildings is a little unclear. It is suggested that they are invited to provide an update on progress to the January meeting.

1.1.3. E-Port Net Zero

An update was received last week stating that the project would underspend by £220k and the deliverables will be reduced. We had a discussion about what could be done and they were tasked with going and discussing potential solutions with partners. Happily they have now confirmed that all the money can be spent and the full project delivered as originally approved.

1.2. Computers for schools

We have now received two of the computers for schools claims. In total from information we have so far 296 laptops have been bought and distributed to children, far higher than the 135 we expected as the schools have managed to secured additional match funding. The claim from William Stanier School is being chased again.

1.3. Skills projects

1.3.1. IOTA- Carpe Diem

An update from Bill Carr at Carpe Diem will be given at the meeting. Following this P&I are required to consider awarding an additional £7.5k. The paper from the last meeting is included again for convenience.

1.3.2. UOC- High Performance Private Cloud

There remains uncertainty about when the van will arrive from France which will then need to be kitted out. However, the LEP grant is forecast to be fully spent by the end of February so even if the van is delayed it shouldn't impact too greatly on the UOC's ability to spend the full grant by the end of March. They are forecasting £375k of spend this quarter (£275k already spent), so that would leave just £130k to be spent in q4, not ideal, but not unachievable. Close monitoring will continue.

There have been some small savings on some kit so they have put the savings towards extra kit for the van which seems appropriate and good use of the funds.

1.4. WBC Sustainable travel

As mentioned at the last meeting WBC are having trouble completing the sustainable travel schemes on time and had requested to carry money over which isn't possible. Therefore, it is suggested that the funding mix between the schemes is changed instead. The Burtonwood to Omega scheme which was packaged up into the Warrington West Programme is due to complete in January so the additional £400k could be claimed in January.

While the Chester Road and TPT schemes won't be complete at the end of March they should, according to WBC, have been able to spend the funding outlined below.

Project	Total Cost	LGF Current	Revised	Left to spend of Revised amount (Left to Claim)
Burtonwood to Omega (part of Warrington West Programme)	1,200,000	500,000	900,000	400,000
TPT	750,000	550,000	350,000	315,775
Chester Road	1,162,000	600,000	400,000	325,541
Total	3,112,000	1,650,000	1,650,000	1,041,316

Recommendation: That revised offer letters are issued to the above projects for the revised amounts.

1.5. NW Crewe Sustainable Transport Scheme

As previously reported CEC are having issues spending all the NW Crewe sustainable travel grant before the end of March due to land issues. We've already changed the LGF allocations between the CEC sustainable travel schemes and were expecting a revised business case encompassing all the NW Crewe Package of works. A verbal update will be given at the meeting as the necessary information about the wider scheme wasn't received in time.

1.6. Ellesmere Port One Public Estate

Good progress is now being made with the Ellesmere Port OPE project as can be seen from the photos below:

Newly completed bus stands:



Old bus station site now cleared for EP OPE building:



The project has now spent £5.5m (67%) of the grant and now the mains works are on site there is less concern about the remaining £2.77m being spent by the end of March. However, to help mitigate against other potential delays it would seem prudent to include the works to the Ellesmere Port Library which were completed as part of the reconfiguration of services which will include those to be located in the new EP OPE building.

The main library building houses the library service, a community café, the Ellesmere Port Local and Family History Society and several Council services including Customer Services, Ellesmere Port Work Zone and the Registrar. Some of these front-facing functions will re-locate to the new-build Hub on completion and will therefore provide vacant accommodation for alternative community and business uses. In anticipation, during 2019, Cheshire West and Chester Council invested £301k in re-modelling the building. These works included:

Ground Floor	Creation of new and additional security-controlled entrance to the building. This includes external ramp access and enables continued use of the building outside of normal Library operating hours.
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First Floor	Creation of new, flexible meeting / training / conference space with state-of-the-art AV capability. This comprises one large, open-plan room; four smaller individual meeting rooms; informal networking space; kitchen and toilets (including disabled and baby change facilities)
Second Floor	Creation of two meeting / mentor rooms and waiting area

CWAC have updated the business case, which remains strong and coherent. The changes reduce the BCR very slightly to 3.67 but still well over what is considered excellent value for money. The proposed change alters the scheme very little, as the main building will still be built as approved. The LEP could potentially be able to claim the additional output of “commercial space improved”.

Recommendation: That the costs of the refurbishment of the library building are included as an eligible cost for the project enabling the council to claim £301k at the end of December. This will be part of the total grant of £8,332,228 and not an increase in the overall grant. CWAC to confirm how much commercial space has been improved or created.

2. LGF Finance

As there are so many projects on monthly claims, we can report a healthy £2.7m has already been spent this quarter, bringing the total spent to date to £114m. This means that there is £13.3m still to spend in the next 3.5 months which is challenging, but a further £8.7m is expected to be claimed for q3 meaning only £2.1m needs to be spent in q4.

Please see appended table which has a new column added showing the percentage of grant left to spend on each project.

3. Getting Building Fund (GBF)

The Chester Northgate tunnel project cannot be considered at the December meeting as the appraisal isn't complete. However, the business case has been submitted which makes a robust case for the project. The project will be taken to the January meeting for full consideration.

There is still some debate within WBC about how to achieve spend on the Bus Depot project. It may prove problematic transferring the money to Centre Park Link so WBC are going to look at options and these can be considered at the same time as the business case in January.

Corporate Risks:

RISK SCENARIO		FUTURE CONTROLS / MITIGATION MEASURES		Residual risk rating		
RISK	IMPACT	Mitigation	Planned actions	IMPACT {1-5}	LIKELIHOOD {1-5}	TOTAL
EZ receipts received not in line with forecasts	Unable to undertake the necessary EZ investments, repay loans and develop other areas of LEP activity.	continue to liaise with business rate function staff to improve forecast accuracy and determine contingencies. Establish a reserve within EZ funds. Manage expectations about availability of finance and reduce investment programme accordingly if need be.	Improve forecasting and understanding of cashflow and monitoring of income. Ensuring that we have sufficient levels of reserves to manage short-term variances in EZ income. Ensure sufficient flexibilities to turn on and off commitments.	4	3	12
Uncertain economic conditions make delivering the SEP objectives challenging	Failure to deliver economic growth, skills or the quality of place aspired to in the Strategic Economic Plan and Local Industrial Strategy. Failure to deliver outcomes and outputs within prescribed timescales leading to failure to meet the LEP's economic objectives leading to a downgrading of the LEPs Delivery and Governance ratings.	The LEP continues to market support to local authorities, businesses and colleges for programmes commitment with the various programme funds initiated by Government departments. Understanding what we can do with the businesses which are investing	Investment in developing business cases and "Place" marketing has been approved by the board and further use of EZ retained business rates is expected to continue creating opportunities and awareness. Committees are tasked with redirecting funding for failing projects in order to prevent loss of funding. Continue Horizon scanning to drive pipeline of appropriate projects.	4	3	12
Failure to successfully deliver projects and programmes which the LEP is responsible for [in compliance with the funding conditions]	Reputational damage, loss of funding, damage to stakeholder relationships, LEP needs to find funding to underwrite costs, not able to deliver the SEP/LIS	Ensure all bids are reviewed to ensure they're properly costed and all paper's include a FD opinion. Look at delivery options to see if risk can be shared on transferred. Consider contracts and all terms to ensure they are understood and as tight as possible. Independent appraisal then ongoing monitoring and managing of contracts.	Make it a mandatory part of the approval process that FD opinion is given on all bids. Consider writing into the LAF. Carry out a review of all existing funding contracts so that the LEP fully understands and can account for the financial implications of those programmes e.g. Accelerate which requires the LEP to cash flow the delivery costs with the funds only being reimbursed if the targets are met.	4	3	12

Risk of criticism of COVID response and then subsequent recovery response and resources available for it.	Reputational damage to the LEP. Govt may look to LAs to deliver future initiatives	In the process of developing shorter term interventions which could start early next year as we emerge from the pandemic. Pipeline of projects developed.		3	4	12
Funding of the LEP is uncertain both at a core level and programme level. This could impact ongoing economic development and investment in C&W	Makes it difficult to forward plan. The LEP receiving less funding in future, potentially jeopardising key economic projects necessary to deliver the economic targets for the sub-region.	Set budgets at a level which recognise uncertainty. 'Maintain close links with funding departments, including MHCLG, BEIS, DfE, DiT, DCMS and be aware of funding programmes and opportunities	'Pursue and align to areas of economic development associated with new funding streams made available by Government.	3	4	12
The resources of the LEP severely constrain the amount of intelligence the LEP can gather and the ability to respond to business closures or opportunities.	Criticism of LEP response and weak local response to opportunities and threats and damage to the reputation of the LEP	Co-ordinated response from the LEP in conjunction with the LAs. Ensure network across the region is joined up to achieve maximum impact.		5	2	10

Programme Risks

RISK REF	RISK SCENARIO		EXISTING CONTROLS / MITIGATION MEASURES	FUTURE RISK RATING		
	RISK	IMPACT		IMPACT {1-5}	LIKELIHOOD {1-5}	TOTAL
1	Crewe Hub - Risk that project may not happen due to national political uncertainty and or that the funding isn't fully spent due	Reputational risk. If govt decide not to go ahead then there the economic benefits won't be realised. Not achieving the maximum connectivity to the Hub and thereby reducing the economic benefits of the Hub and VfM.	Working closely with new govt/, CEC, DfT and the rail industry to deliver a scheme which supports the wider economic growth of the region.	5	3	15

	to the delays with the project					
2	Failure to deliver Accelerate in line with SLA	Reputational damage, loss of funding, funding could be reclaimed/ fines imposed and lost opportunity.	Recruited 2 staff with one to be appointed. Changing focus of third role to bring range of expertise. Regular monitoring using CRM, Weekly meetings with all staff inc. UOC. Delivery board and mgt board established to give adequate oversight.	4	3	12
3	Projected retained business rates not being fully realised.	Reduction in retained business rates and delay in investment projects paying back. The VOA value our investment projects lower than projected as part of the business case. We don't capture all the business rate growth in the EZ. Revaluation reduces overall business rate income	Projected business rates assessed by property advisers as part of the appraisal of business rates, based on previous business rates. Cushman and Wakefield commissioned to assess historic and future business rate retention on each EZ site to help give confidence in projections. Only investing a proportion of business rates from any one scheme so that there is cover if an investment fails/defaults.	3	3	9
4	It may be difficult to invest Evergreen due to the priorities it is being drawn from	Loss of funding and reputational damage	Work with partners to develop a strong pipeline of projects. Appoint fund manager with strong history of investment	3	3	9
5	Northgate isn't delivered to the size and scale anticipated when the bus station scheme was approved or within the timescales given.	Loss of outputs and potential reputational damage. Would affect the overall impact of the LGF programme. Chester City continues to lose trade impacting the businesses that already exist there.	Continue to closely monitor progress. Escalate concerns if it appears progress is stalling. Scheme is now receiving support through GBF. Scheme has been redesigned to increase leisure and housing offer and is now less reliant on retail. Does impact outputs, but now more housing will be delivered.	3	3	9

6	Middlewich rail study isn't supported or doesn't meet expectations. Middlewich study raises expectations of delivery which will need funding.	Reputational damage, potential loss of opportunity to secure govt. funding. Doesn't support the SEP or doesn't take account of cross boundary issues. Potential rail and infrastructure improvements are not delivered in a timeframe that meets people's expectations. Reputational impact, accusations of waste of money for study to be completed if no capital available.	Completed Feasibility study and started dev. Of SOBC. Stakeholder closely engaged with SOBC dev. Initial BCR is poor but figures being reviewed by consultants. Revisit by end of Feb.	3	3	9
7	Failure to deliver a HS2 station at Manchester Airport will constrain access to the airport and restrict it's growth potential.	inhibits our ability to deliver the SEP through insufficient connectivity of the airport.	Working grp est to look at these issues and will feedback recommendation to relevant authorities	3	3	9
8	Bus Strategy not agreed, or could raise expectations, or causes tensions between bus companies/LAs and the LEP.	reputational risk to the LEP. Busses will continue to underperform which would impact of the regions ability to fulfil it's potential. Ie.it will hinder economic growth if people are unable to effectively move around the region. Environmental impact of less people using buses (2-5% of people use busses.)	Collaborative working with the interested parties. The vice president of the confederation of the passenger transport in the NW is now an advisor to the LTB.	3	3	9

Project	Total project cost (£)	Intention rate (%)	Total grant	Paid 20/21	Paid to date	Remaining to be spent	Left to spend of grant %	Profiled 20/21	Actual Q1 20/21	Actual Q2 20/21	Profiled q3 20/21	Actual Q3 20/21	Profiled q4 20/21	Profiled 21/22	Total	Grant remaining to be claimed	Comment	
LGF1/2																		
BEIS funding Profile								4,712,629							84,452,230			
Balance c/f (defrayed by CEC)								171,885										
Total Balance (profile +c/f)								4,540,744										
Completed Projects	27,946,590	301	9,897,915							83,543	35,218							
Housing Fund Revenue (CWAC)	7,500,000	100.00	7,500,000		7,500,000										7,500,000			
DFT Tail majors including Crewe Green Link Road	25,747,350	18.64	4,800,000		4,800,000										4,800,000			
Chester Central	21,637,682	62.39	13,500,000		13,500,000										13,500,000			
Thornton Science Park	17,382,850	39.12	6,800,000		6,800,000										6,800,000			
Birchwood Pinchpoint	4,986,000	42.92	2,140,000		2,140,000										2,140,000			
M62 J8 Junction Improvements (Omega)	10,921,000	45.78	5,000,000		5,000,000										5,000,000		Complete	
Reaseheath Agri Tech Centre	7,457,972	33.19	2,475,000		2,475,000										2,475,000		Complete	
Reaseheath Employer Focused Hub	1,889,307	35.72	674,850		674,851										674,851		Complete	
Reaseheath Sports Science and Performance Academy (osprey)	6,169,154	35.17	2,169,750		2,169,751										2,169,751		Complete	
Reaseheath Learning Hub and Accommodation	11,244,158	31.86	3,582,315		3,582,316										3,582,316		Complete	
Ellesmere Port and Chester Campus remodelling	3,791,198	84.35	3,198,000		3,198,000										3,198,000		Complete	
Crewe Green Roundabout	7,750,000	42.58	3,300,000		3,300,000										3,300,000		Complete	
Macclesfield College - Chef's Whites Academy	200,000	12.50	25,000		25,000										25,000			
Sydney Road Bridge	10,452,553	55.97	5,850,000		5,850,000										5,850,000		Complete	
Warrington East Highways Improvements	13,355,000	51.67	6,900,000		6,900,000										6,900,000		Complete	
Live Projects																		
GM & Cheshire Life Science Investment Programme	31,982,000	31.27	10,000,000		10,000,000			0							10,000,000	0	Updated May 19 to show LGF being used to pay CEC's payments including those paid by CEC in 18/19	
Warrington Waterfront (Centre Park Link)	19,891,000	26.65	5,300,000		5,300,000										5,300,000		Updated April 19	
Ellesmere Port Central Development Zone	18,220,000	45.73	8,332,228	3,488,798	5,554,418	2,777,810	33	6,266,608	347,177	1,595,116	2,800,000	1,546,505	-	22,190	9,878,733	2,777,810	updated Sept 20	
Poynton Relief Road	50,700,000	11.05	5,600,000	560,000	5,600,000			560,000	560,000						5,600,000		Final payment pushed into q1 as not required to be spent in 19/20	
Total LGF 1/2 spend	238,029,873	35.65	84,847,143	4,048,798	82,069,335	2,777,810		6,826,608	907,177	1,595,116	2,800,000	1,546,505	-	22,190	86,393,650	2,777,810		
Funding defrayed on CEC projects																	12,073,850	
LGF3			Indicative allocation / Profile															
BEIS funding Profile								20,192,577							61,549,115		615,491	
Crewe indoor and outdoor market improvements/	3,900,000	58.73	2,290,457	1,287,133	2,290,457	0	0	1,287,133	1,287,133						2,290,457	0	project finished ahead of revised profile for 19/20 reducing risk for final year.	
Congleton Link Road	89,600,000	8.60	7,709,543	2,709,543	7,709,543			2,709,543	2,709,543						7,709,543		Congleton Link Road now included so that money can be transferred from CHSRH	
Unlocking Winsford Industrial expansion Land	10,900,000	34.86	3,800,000	720,831	3,355,910	444,090	12	530,974	86,885	408,962	190,000	224,985		619,036	3,391,038	444,090	Updated June 20	
Tarvin Road	7,029,726	52.11	3,663,000	276,501	1,871,655	1,791,345	49	1,806,027	14,682	261,819	625,098			643,971	3,401,181	1,791,345	Updated June 20	
Warrington West Programme																		
Omega Local Highways Schemes phase 1	4,100,000	74.76	3,065,000			3,065,000										3,065,000		updated dec 20
Warrington West Station	21,350,000	30.59	6,530,000		5,877,000	653,000									5,877,000	653,000	Updated April 19	
Warrington West Station cycle access	345,000	72.46	250,000			250,000										250,000		
Burtonwood Omega Path (WBC)	1,200,000	75.00	900,000			900,000										900,000		Updated Dec 20
Omega Phase 2b	2,350,000	41.91	985,000			985,000										985,000		
WW programme payment					4,320,000	4,320,000		1,133,000			1,133,000				5,453,000	4,320,000	updated dec 20	
sub-total	29,345,000		11,730,000		10,197,000	1,533,000	13	1,133,000			1,133,000				11,330,000	1,533,000		
Skills																		
Macclesfield Stem Centre (Astra Zeneca)	402,420	66.70	268,420	10,961	158,457	109,963	41	120,924		10,961					268,420	109,963		
Reaseheath College - automatic dairy	736,000	89.13	656,000	79,317	108,562	547,438	83	626,755	44,085	35,232	335,000			77,647	656,000	547,438	Profile updated June 20 from RH profile	
Livewire Warrington- Made digital	37,892	76.51	28,992		15,074	13,918	48	4,918							19,992	13,918	on profile	
Warrington and Vale Royal college - community digital Hubs	52,463	74.41	39,038		39,038										39,038		£62 underspend which isn't required. Rest now claimed.	
Yuthfed - C&W Security Operations Centre (SOC) Training Academy	297,398	10.39	30,898		17,398	13,500	44								17,398	13,500	fully spent as of end of March 21	
UTC Warrington - 21st Century Skills lab	39,988	49.98	19,988	3,106	16,106	3,882	19	6,988	1,135	1,971	600			3,353	19,988	3,882	updated June 20 from UTC profile	
The Digital Hub - Digital Doorstep (CCSW)	44,172	41.28	18,235	9,870	18,232	3	0	8,606		9,869.62					26,838	3	updated June 20	
Digital Hub - Project 4.0 (CCSW)	2,230,749	40.96	913,648	789,122	913,648			789,122		789,122					913,648			
Reaseheath College - Controlled Env. Food production Centre	450,000	75.56	340,000	64,524	64,524	275,476	81	340,000		64,524	117,000			7,524	340,000	275,476	Updated June 20 from RH profile	
UOC- High Performance Private Cloud	1,218,005	73.32	893,005	389,021	389,021	503,984	56	893,005	200,778	188,243	128,597			193,630	893,005	503,984	Updated July 20	
Carpe Diem - IOTA	398,560	29.81	118,800		118,800										118,800		Full claim as can't reclaim vat	
AMET Centres - Warrington Campus and Vale Royal Campus	1,369,000	47.92	656,000	141,751	141,751	514,249	78	656,000	96,583	45,168	229,000			87,249	656,000	514,249	Updated June 20	
Macclesfield College - Specialist digital and advanced manufacturing equip	1,124,912	46.37	521,615	484,711	484,711	36,904	7	521,615	266,289	218,422				751,000	521,615	36,904	Updated June 20	
Computers for schools	30,000	100.00	30,000	22,470	7,530		25	30,000				22,470			30,000	7,530		
Digital Skills in Construction (WVR)	571,500	45.49	260,000			260,000	100	260,000						260,000	260,000		updated Sept	
specialist equipment to widen access to technology and digital skills (CCSW)	270,500	56.49	152,800	125,000	125,000	27,800	18	152,800		125,000					152,800	27,800	updated Sept	
NEETs	45,000	100.00	45,000												45,000			
Unallocated			7,500			7,500	100	35,000						35,000	35,000	7,500		
Sub total	9,318,559	53.66	4,999,939	2,119,853	2,632,793	2,322,146	46	4,410,733		1,488,513	810,197	22,470	-	298,646	4,933,542	2,367,146		
Energy Innovation																		
C&W Business Energy & Efficiency Programme	1,415,030	51.50	728,672	338,629	392,237	336,435	46	641,393	48,171	290,458	200,000			49,156	695,000	336,435	Updated February 20	
Storengy - Project Vanguard	1,035,000	33.33	345,000	318,488	345,000			318,488	242,611	75,877					345,000		Updated June 20	
EA Technology - Netzero Cheshire	570,000	52.63	300,000	207,776	207,776	92,224	31	300,000			199,000	207,776		106,776	300,000	92,224	updated Sept 20	
EA Tech - Delivering network visibility in Cheshire's Energy Innovation district	1,364,113	60.49	825,084	361,620	361,620	463,464	56	825,084	72,320	168,120	500,000	121,180		36,536	825,084	463,464	Updated March 20	
E-port Net Zero	928,600	77.39	718,600	319,762	319,762	398,838	56	718,600	11,900	162,486	322,000	145,376		76,838	718,600	398,838	Updated October 20	
Warrington Smart Grid	535,109	66.07	353,551	258,362	258,362	95,189	27	353,551			73,566	258,362		21,623	353,551	95,189	Updated September 20	
Hy-Net	830,316	53.93	447,760	402,984	402,984	44,776	10	447,760		402,984	44,776				447,760	44,776		
Aircom and LoraWAN deployment	484,240	47.79	231,417	136,987	136,987	94,430	41	231,417	22,029	43,951	150,000			71,007	231,417	94,430		
Canalside EV charging scheme	270,000																	

ELLESMERE PORT ONE PUBLIC ESTATE

ADDENDUM TO FULL BUSINESS CASE APPROVED BY CHESHIRE & WARRINGTON LOCAL ENTERPRISE PARTNERSHIP

Background

In October 2019, the Cheshire and Warrington Local Enterprise Partnership approved a Local Growth Fund allocation of £8,332,228 towards the Ellesmere Port One Public Estate project following submission of an independently evaluated Full Business Case. This allocation needs to be defrayed before 31st March 2021. The Full Business Case covered three associated areas of expenditure:

1. The construction of a new town centre Bus Station with improved facilities and public realm;
2. The construction of a new Public Sector Hub to deliver more integrated public services to Ellesmere Port residents; and
3. The demolition of the Cheshire West and Chester Council Civic Way Offices to release land for re-development.

The total cost of the scheme as outlined in the Full Business Case is £17,352,800 with the balance of the funding being met from the Council's capital programme.

Unfortunately, due to the outbreak of the Coronavirus pandemic in March 2020 and the subsequent national lockdown which had a significant impact on the construction industry, progress against the delivery of this programme has slipped. This has also had a 'knock-on' effect on the expenditure profile for the scheme.

Whilst the scheme is now progressing well and the Council are confident that the Local Growth Fund allocation will be defrayed within the required timescales, additional expenditure associated with the re-modelling of Ellesmere Port Library has been identified for inclusion within the wider One Public Estate project and Full Business Case. The overall financial impact of including these costs within the project will still be met by the Council, but their inclusion will increase the extent of the eligible costs which have been incurred by 31st March 2021.

The Full Business Case as approved by the LEP promotes a campus model which more fully utilises existing publicly owned buildings within the vicinity of the new-build Hub in order to minimise cost and maximise community and economic value. This campus includes Ellesmere Port Library, the main library and community facility within the town centre fronting the Civic Square and Ellesmere Port Civic Hall. In addition to housing the Library service, the building also accommodates a

community café, the Ellesmere Port Local and Family History Society and several Council services including Customer Services, Ellesmere Port Work Zone and the Registrar. Some of these front-facing functions will re-locate to the new-build Hub on completion and will therefore provide vacant accommodation for alternative community and business uses. In anticipation, during 2019, Cheshire West and Chester Council invested £301k in re-modelling the building. These works included:

Ground Floor	Creation of new and additional security-controlled entrance to the building. This includes external ramp access and enables continued use of the building outside of normal Library operating hours.
First Floor	Creation of new, flexible meeting / training / conference space with state-of-the-art AV capability. This comprises one large, open-plan room; four smaller individual meeting rooms; informal networking space; kitchen and toilets (including disabled and baby change facilities)
Second Floor	Creation of two meeting / mentor rooms and waiting area

These additional spaces complement and supplement the facilities within the new-build Hub at modest cost and enable more flexible working between the two buildings.

The following sections provide updated narrative to the relevant sections of the Full Business Case, specifically the Strategic; Financial and Economic Cases.

The Strategic Case

The Strategic Case within the approved Full Business Case stands.

In addition, the Library building is locally listed and is recognised as one of the few buildings within Ellesmere Port as having community value. Initial thoughts were to relocate the library service within the new-build Hub. However, it is important to retain this asset as a publicly accessible building and to maximise its value as a community asset, alongside the new-build Hub and Civic Hall, as part of the wider campus development. In order to minimise the size and cost of the new-build Hub, the Library service will remain in the current building as part of the campus approach but other functions currently located there (i.e. customer services, WorkZone, Regeneration and Localities) will relocate to the new-build Hub upon its completion. This has provided an opportunity to rethink how the existing and vacated Library space will be used in the future and some re-modelling works have taken place within the building as a result.

In 2016, the Department for Culture, Media and Sport asked the Libraries Taskforce to develop a vision for the future of public libraries in England. This recognises the vital role that libraries play in changing lives for the better, not only providing access

to books and other literature but also helping people to help themselves and improve their opportunities, bringing people together, and providing practical support and guidance. They play a critical role in helping people to realise their potential, especially those from disadvantaged backgrounds.

A Vision for Public Library Services in England

<p>Everyone to:</p>	<ul style="list-style-type: none"> • choose to use libraries because they see clear benefits and positive outcomes from doing so • understand what library services offer and how they can make the most of what's available to them • be introduced to new ideas and opportunities, then given confidence and quick and easy access to tools, skills and information they need to improve their quality of life • receive trusted guidance through the evolving information landscape and build the skills needed to thrive in a changing world
<p>Communities to have:</p>	<ul style="list-style-type: none"> • a library service that helps different groups come together, co-designed with local people to meet local needs and strengthen the local community • local services available through well-designed and well-regarded 'community hubs', bringing together different partners' offerings in a seamless way • safe, welcoming and accessible physical and virtual environments freely open to all, which encourage participation, creativity and mutual learning and support
<p>Public services and other partners to:</p>	<ul style="list-style-type: none"> • understand what libraries have to offer them, and how, by working together, they can achieve better outcomes in a more efficient way • regard libraries as their natural first choice to provide information and services within local communities
<p>Library services to:</p>	<ul style="list-style-type: none"> • be valued for the positive impact and outcomes they achieve for individuals, communities and partners • develop an evidence base (qualitative as well as quantitative) so they are recognised as a strategic

- national and local resource, and achieve more investment and financial resilience as a result
- actively adapt their funding and delivery models and services to meet new circumstances and changing user needs
 - work together as a vibrant network, sharing knowledge, resources and insights, building on a consistent core offer and improving the way they work with partners and suppliers
 - continue to provide core services free for users, but develop and use commercial skills to generate income so they can offer new services while maintaining neutrality
 - help build and maintain communities, supporting everyone in them to flourish and grow
 - be digital leaders in their communities, sparking innovation and building capability

To achieve these ambitions, library services contribute to seven key outcomes that are critical to the individuals and communities in their areas:



These strategic aims, objectives and outcomes are aligned to several existing national, regional and local business strategies as outlined in the Full Business Case

including those of Government, the Cheshire & Warrington Local Enterprise Partnership, the Ellesmere Port Development Board and the Council. They also contribute to the three over-riding aims of the One Public Estate project:

- Improving local public service delivery
- Catalysing regeneration and private sector investment
- Supporting public estate efficiencies

The Economic Case

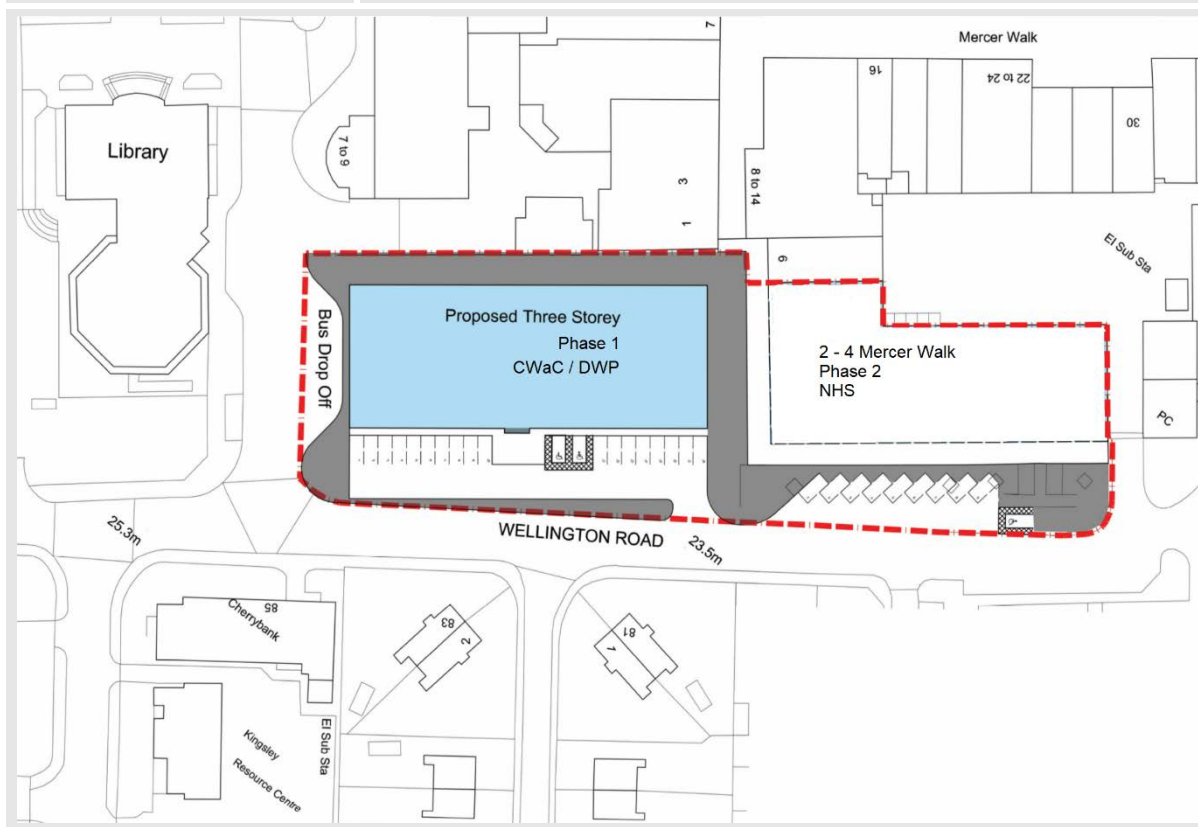
The approved Full Business Case proposed that the Library building be retained as a publicly accessible building housing the library service but noted that consideration would be given to how this building, alongside the aspirations for Whitby Hall by Action Transport Theatre and the Civic Hall as a prominent entertainment and conferencing venue, can deliver a cohesive cultural offer in the future which builds on and promotes the industrial and economic heritage of Ellesmere Port locally, regionally and nationally. This work is ongoing but the remodelling works undertaken to date provide new flexible and adaptable spaces which meet current demand for meetings, workshops and training and provide future opportunities for commercial and community use.

The preferred shortlisted option taken forward through the Full Business Case was for a new-build Hub on Wellington Road supplemented by the retention of the Library building. At the time, no remodelling costs for the Library were included though this was always intended to be part of the wider ‘campus’ offer.

Option 8: Wellington Road Campus (Phase One)

Scope:	Demolish Civic Way and bus station facilities. New build hub for Council and DWP on existing bus station site.
Solution:	Removes majority of all previous maintenance and backlog liabilities associated with internal fabric and services.
Service Delivery:	<p>Allows for more efficient provision of integrated services and associated operational costs though retention of existing health accommodation results in some loss of efficiency.</p> <p>Creates potential to form a combined HUB campus (Council, DWP and Health HUB) as second development phase through the refurbishment of Mercer Walk and linkage of buildings</p>
Implementation:	Execute works during 2019-to-21, decant from existing buildings into new building upon completion.

Funding:	Market commercial rates and CWAC / LEP funding.
GIFA:	<p>This option provides a total Gross Internal Floor Area of 10,124m² (including existing Health accommodation of 3,196m²). The decrease from Option 1 recognises that although the overall accommodation of staff numbers will increase, the area used will be more efficient and will also utilise some shared spaces.</p> <p>Progression to Phase 2 (Refurbishment of Mercer Walk and linkage of buildings) supports a net increase in Health accommodation of 942m² increasing total Gross Internal Floor Area to 11,066m².</p>
Capital Cost:	£16,437,710 (incl. £2,362,911 Optimism Bias)



As such the qualitative and quantitative benefits appraisals still stand.

The table below updates the option appraisal outcome to include the extra cost of converting space in the library to increase community provision, within the preferred option. This shows that despite this cost increase the weighted score representing cost and quality measures remain significantly better than the next two best ranked options. Costs reflect a combination of initial capital works and ongoing operating costs.

NR	OPTION (Updated)	QUALITY (a)	COST (b)	VfM (b/a)	RANK
2	New Build (Civic Way)	79.6%	£49.473m	6.2	2
7	Wellington Road Campus (Phase 1+2)	82.7%	£51.215m	6.2	2
8	Wellington Road Campus (Phase	70.9%	£39.837m	5.6	1

Sensitivities - This outcome does not change as a result of changing cost assumptions on capital, operating costs, rental incomes or a combination of all three. Option 8 remains the best value option if varying all these assumptions +/-10%.

BCR Ratio - The Benefit Cost Ratio that would result from the development has been updated to reflect the additional public sector costs from including the library works. The original calculated BCR value was 3.78 (excluding temporary benefits). After adjusting for the costs of delivering the library enhancements the ratio drops marginally to 3.67, still well above the threshold to demonstrate good VFM for the public sector investment.

Hub Development	£m
Net Present Public Benefits	41.36
Net Present Budget Impact	11.25
BCR	3.67

The Economic Case still stands as the updated proposal continues to demonstrate that the progressed option offers the best value and that it delivers a good return for the public funding invested.

The Commercial Case

The Commercial Case within the approved Full Business Case stands.

There may be additional commercial opportunities as a result of the investment in the Library building and the new spaces that have been created. These will be explored further when the new-build Hub is complete and the necessary services have been relocated.

The Financial Case

The original business case did not reflect the additional costs of converting the library building in Ellesmere Port to incorporate additional public engagement space and meeting room capacity. This step was a precursor to the wider move to the new hub building and as it met the need for larger public meeting spaces it avoided the need to design these into the new Hub building.

This work was delivered at a cost of £301k which has been met by the Council. Had this been included in the original business case, the impacts on each element of the Financial Case would have been as follows.

Upfront Investment Costs and Funding

Overall scheme costs rise by £313k, to £17.665m. This includes an adjusted optimism bias.

Breakdown of Capital Costs	Capital Cost £
Hub Build	9,678,991
Wider Works	2,292,734
Contractor/Prelims/Overheads etc	2,628,923
Contractor Total Cost	14,600,648
Library Works	300,718
Non-Contractor Fees (All stages)	1,584,737
Client Contingency	500,000
Estimated Capital Cost	16,986,103
Optimism Bias 4%	679,444
Risk Adjusted Capital Costs	17,665,547

The additional scheme funding is being sourced from the Council and the costs are incurred at the start of the scheme (May 2019-Oct 2019). The funding profile below has been adjusted to reflect the fact the LEP funding is front loading its contribution, but the overall funding increase is reflected against the Council, reducing the LEP share of costs from 48% to 47%. The profile of spend and funding across the year's have been updated to reflect the latest projections.

Profile of Spend	2018-19 £000s	2019-20 £000s	2020-21 £000s	2021-22 £000s	Total £
- Fees	723	1,054	202	285	2,264
- Library Conversion		301			301
- Hub Build			3,652	7,775	11,426
- Bus Interchange		289	3,385		3,674
- Site Clearance					
	723	1,644	7,239	8,059	17,665
LEP Funding Share (%)	100%	100%	86%	0%	47%
LEP	361	1,704	6,267	0	8,332
CW&C	362	-60	972	8,059	9,333
	723	1,644	7,239	8,059	17,665

*CWAC funding line reflects the costs incurred by the Council minus any backdated funds claimed back from the LEP

Impact on Income and Expenditure Account/Affordability

The inclusion of the library upgrades within the scheme would not have a material impact on the income and expenditure account as it does not generate new income and just repurposes existing spaces. The works will be funded from earmarked reserves held by the Council negating the need to incur additional interest and or financing costs. The impacts are therefore negligible, the whole life cost of the scheme remains within the Council's budget allowances by approximately £5m.

Impact on Balance Sheet

The works to upgrade the library will be recognised by the Council as an asset and depreciated over the facility's useful life. This is consistent with the treatment of the wider Hub building on the balance sheet. Excepting a small increase in those asset values, there are no material changes to the position reported in the original report.

Sensitivity

The financial case considered the potential impacts of rising capital and/or revenue costs on the viability and affordability of the scheme.

- **Capital Sensitivity** – The inclusion of the library marginally increases the capital costs of the scheme (£313k) but also introduces equivalent additional funding from the Council. The net affordability envelope of £11.3m that is used to determine the schemes sensitivity therefore remains unchanged
- **Operating Cost Sensitivity** – There is no material increase in the net operating costs of the scheme as the additional spend relates to repurposing existing space. As such there is no impact on the revenue cost sensitivities. The scheme remains affordable with 15% increases in costs
- **Combined** – Marginal changes, the slightly higher cost base means that at a 10% deterioration in all costs the scheme becomes slightly unaffordable (£11.40m vs £11.36m) but this is not considered a significant risk from a Council perspective as the works have already been completed and any cost risk associated with the new spend has already been mitigated.

Combined Capital and Operating	Base	5%	10%	15%
Net Cost to CWAC over 30 years	£6,309,269	£8,861,000	£11,403,000	£13,965,000
Meets Affordability Criteria	✓	✓	-	✗

The Management Case

The Management Case within the approved Full Business Case stands.