



GFirst Local Enterprise Partnership

Board Paper – 5th June 2018

Agenda Item (Title)	Growth Deal Programme & ESIF Progress Update to year end 17/18
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Supporting Papers	Programme Dashboard Summary Outputs Table Programme Forward Look Spend Profile (commercial-in-confidence) ESIF Budget Summary (commercial-in-confidence)
Confidentiality	Dashboard, Summary Outputs Table, Forward Look are public documents Spend Profile & ESIF Budget Summary are commercial-in-confidence
Purpose	1. To inform the Board of: - Progress to date of delivery of the Growth Deal Programme 2. To inform the Board of - Progress to date of the ESIF Programme
Summary	Local Growth Programme We are now effectively half-way through the Local Growth Programme in terms of funding years. To date we have ‘out turned’ £54.61m from a total of £101.7m. Actual spend to date is £45.94m. The lag between these 2 figures is where we have out turned funds to approved schemes with funding agreements under the delegated transport schemes arrangements with Gloucs County Council. E.g. the A419 Stonehouse Improvements scheme has out turned funds of £4.36m against an actual spend to year end of £460k. Expenditure will accelerate significantly on this scheme in 18/19. Confirmed jobs created to date are 1293 against a target of 2059, hence jobs outcomes are highlighted as ‘amber’ in terms of progress to date. The main reason for the shortfall is the declared jobs vs the expected profile from the Growth Hub activity.

Total expected leverage for the programme is well above target both in terms of direct match confirmed to date and also 'follow-on' investment with a total leverage now expected in excess of £350m.

Over 12000m² of new or refurbished skills/learning space has been created to date with the completion of the GREEN skills centre, the Berkeley Cyber Centre and the various schemes at Gloscol, Hartpury and Cirencester Colleges.

Growth in STEM qualifications and Apprenticeships is strong, with 960 apprenticeship starts to date resulting from the investments. Qualification outputs are tracking slightly behind plan mostly due to the later than planned opening of the GREEN centre, however over the life of the programme it is expected that we will achieve or better the plan.

Reported housing starts of 49 to date is the pro-rata equivalent for the 295 student units being built at Blackfriars. The majority of the housing unit starts will occur towards the end of the programme as the Innsworth, Cinderford and West Cheltenham sites are developed.

Overall to date, delivery of the programme is good with most schemes progressing to plan through the construction phases. We are broadly spending to plan and achieved a zero variance for the 'spend' profile at the end of 17/18.

The most significant challenge in terms of programme outcomes is clearly achieving the expected jobs outcomes in relation to the specific investments made, particularly the Growth Hub. It is possible that one of the outcomes from the programme may be an uplift in productivity rather than a direct increase in jobs, however further work will be required to establish this. Some more recent data is expected to be available as part of the SEP refresh to be completed over the next few months.

ESIF Programme

To date c£11.9m of the total of £14.4m available for ERDF schemes has been awarded to projects, leaving £2.5m to be allocated.

It is anticipated that c£900k of this will be utilised by projects coming forward from two recent calls (providing SME's export support and specialist manufacturing advice). Leaving the remaining £1.6m to be promoted in a final call due to be circulated in October for generic business support activity, (the scope of the call is likely to request an extension of the Growth Hub for a further three years).

The pipeline of applications for the £2.9m of European Agriculture Fund for Rural Development (EAFRD) allocated to rural tourism is looking very strong, with applications of over £4.3M received to date. The deadline for expression of interest submissions is 31st of May 2018. £530,918 has been awarded to 5 projects to date.

Fastershire have secured an additional £10M of EAFRD to support rural broadband provision, due to the area covered by the initiative £4M of this will be available to Gloucestershire businesses & communities.

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Implications, impacts or risks	<p>Growth Programme As has already been discussed, jobs outcomes for the programme are currently a risk based on the rate of progress. The de-retention of the Cheltenham Cyber Park scheme is also a major issue likely to impact on the programme. It is as yet unclear what the delivery mechanism will be for this scheme and the details of the transport interventions have yet to be defined. This scale of this scheme means that it will require significant dedicated resource from the eventual promoter and the relevant local highways & planning bodies and high level political support across all the relevant authorities.</p> <p>ESIF Programme Due to the managing authority's interest in the ERDF programme hitting its 2018 performance target, capacity for application development and appraisal has decreased leading to delays in decisions.</p>
Decision required	No decision is required on this item, it is for information only.
Recommendations	None.

For further information points raised in this Board paper, please contact Neil Hopwood
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