



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

Wednesday 22nd January 1.30-4.00

Wyvern House

Attending: Chris Hindley (Chair)
Stewart Brown, Lisa Harris, Ged Barlow, Alex Thompson,
Peter Skates, Nicola Newton, Ian Brooks, Rachel Laver

Apologies:

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 18 th December 2020 | Chair | 5 mins |
| | (ii) Actions Arising | Chair | 5 mins |
| 4 | Accelerate Update | Charlie Woodcock, Pat Jackson, Andy Devaney | 15 mins |
| 5 | Crewe Heat Network | Dan Griffiths | 20 mins |
| 6 | Skills Projects | RL | 20 mins |
| 7 | Delivery Plan review | RL | 10 mins |
| 8 | Q3 report and Profiled spend | RL | 10 mins |
| 9 | Programme manager update | RL | 15 mins |
| 10 | AOB | All | 5 Mins |
| Dates of next meetings, time 1.30 pm and Venue Wyvern House, unless otherwise specified: | | | |
| 26 th February 2020 | Delivery Plan – Infrastructure WBC sustainable Travel Projects Blocks 22-24 Alderley Park (EZ investment) | | |
| 18 th March 2020 | Updated Local Assurance Framework | | |
| 15 th April 2020 | Omega Local Highways Scheme Phase 1 Final Approval | | |
| 20 th May 2020 | | | |
| 17 th June 2020 | | | |
| 15 th July 2020 | | | |

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| | 19 th August 2020 | |
| | 16 th September 2020 | |
| | 21 st October 2020 | |
| | 18 th November 2020 | |
| | 16 th December 2020 | |



**Minutes of the Cheshire and Warrington Local Enterprise Partnership
Performance and Investment Committee Meeting
held on 18th December 2019 at 1.30**

In attendance: Chris Hindley (Chairman), Stewart Brown, Alex Thompson,
Nichola Newton, Ian Brooks, Rachel Laver, Joel Tagg

Apologies: Lisa Harris, Peter Skates, Ged Barlow

Presentations on CEC sustainable Transport Schemes by: John Davies and Richard Hibbert
Waste2Tricity by: John Hall
Delivering network visibility by: Dave Roberts and Sophie Sudworth

| Item No. | Item | To be Actioned by | By When |
|----------|---|-------------------|----------------|
| 1. | Welcome, Introductions and Apologies Apologies from GB and PS. Chloe Taylor has now left CWAC. Request that CWAC send a representative to future meetings | RL | Jan |
| 2 | Conflicts of Interest CH asked for any conflicts to be declared and reiterate the conflicts of interest policy. At attending in S151 capacity rather than to represent CEC, but mentioned conflict regarding sustainable travel schemes. | | |
| 3 | Minutes from the last meeting: Ran through the actions: October mins republished less CHSRH update Escalate receipt of information from CWAC to PC RL again asked for comments on ToRs to be sent through having only received them from CH. Due to packed agenda, TORs to be considered at January meeting Confirmed that P&I will consider Energy bids Page numbers added to delivery plan | RL/PC All | Jan Jan |

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| | <p>Cheshire Green loan facility documents completed. Awaiting signing by CEC</p> <p>RL confirmed that as ESIF isn't a sub-committee of the CWLEP board that the committee details don't need to be shown on the LEP website. The assurance Framework will be updated accordingly in due course.</p> | | |
| 4 | <p>Presentation -CEC sustainable transport</p> <p>RH and JD gave a presentation on the two schemes. Timing of delivery was questioned and asked whether it could be bought forward. Crewe scheme being delivered on the back of a Network rail scheme which involves road closures, so programme will only be forward if NR scheme doesn't go ahead.</p> <p>Cost of the CPO included in costs and CEC will underwrite the costs of the scheme. CEC funding approved.</p> <p>Both schemes show good value for money.</p> <p>Both schemes approved. RL to change condition to make it clear only the second phase of the Crewe sustainable transport scheme is completed in two years (the small section that requires the land).</p> <p>RL to issue offer letters.</p> | RL | Jan |
| 5 | <p>Energy Fund bids</p> <p>Agreed that to comply with Local assurance framework and for consistency, BCR calculation to be provided for each scheme and for Skills projects already approved and pending approval</p> <p>RL to appoint economist to provide figures.</p> <p>RB gave an overview of the strategic fit of the schemes which in all cases is good. The Crewe Heat Scheme is being deferred as they have asked for £100k more and is therefore being considered by Strategy Committee again.</p> <p>Waste2Tricity</p> <p>Project takes unrecyclable plastic waste and turns it into Hydrogen and gas to create energy which can be exported to the grid.</p> <p>John Hall gave a presentation. Funding for the scheme is expected to be secured by the end of March.</p> <p>In order to help the fund raise the committee agreed to approve the bid with the conditions set out in the report and the added condition that the funding offer will lapse if planning approval and funding wasn't in place by the end of March 2020.</p> <p>SPEN/ EA Technology – Network visibility</p> | RL | Jan |

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| | <p>Scheme to install monitoring devices across Cheshire’s sub-stations in order to more accurately understand demand and capacity which will enable the network to be operated closer to capacity and more efficiently.</p> <p>Committee approved the project as per the conditions set out in the report.</p> <p>Blue Orchid Bid to provide energy audits to businesses and then grant to some of those business for energy efficiency improvements.</p> <p>Committee approved the project as per the conditions set out in the report.</p> <p>Storengy – Project Vanguard Project to create hydrogen from waste water and energy from Photo Voltaics.</p> <p>Approved. Condition to be changed to say equipment should stay on site for five years as site is owned by CEC.</p> <p>EA Technology – Netzero Cheshire</p> <p>Project to showcase low carbon technology at a building at Capenhurst Technology Park.</p> <p>There will be quarterly open days to showcase the technology and a manual produced</p> <p>Project approved with the conditions set out in the report.</p> <p>RL to write offer letters for all approved projects</p> | RL | Jan |
| 6 | <p>Delivery Plan</p> <p>Business development needs revised numbers adding for January meeting</p> | RL | Jan |
| 7 | <p>Programme Manager update</p> <p>RB ran through the programme manager update. Key issue is slippage. JT said it was unlikely treasury would let any funding be carried forward. RL suggested January meeting moved to the 22nd January in order for all the claims to be processed so that we have a clearer of what might be spent by the end of March and so that action can be taken if necessary. Spend is still forecast to be £25m as required.</p> <p>Move meeting to 22nd January.</p> | RL | Dec |
| 8 | AOB - none | | |



Cheshire & Warrington Local Enterprise Partnership Performance and Investment Committee

Title: Crewe Heat Network

Agenda item 5

Prepared by Rachel Laver

Date of Meeting: 22nd January 2020

1. Executive Summary

This is the final of the shortlisted energy projects to be considered. The project is to create the first district heating scheme in Cheshire and Warrington, using the heat and energy generated initially in public buildings in Crewe.

The project has an excellent fit with both national and local strategies and will hopefully help demonstrate the viability of district heating schemes as an alternative low carbon energy source.

Funding of the project is the biggest risk to delivery. A decision on a substantial part of the funding package isn't due until June.

2. Recommendations /Actions / Decisions required:

It is recommended that the project is approved with the following conditions:

- The total funding package is secured no later than end of June 20.
- That the LGF funding is used first
- Confirmation that CEC will underwrite the costs of the scheme including the revenue costs if the funding package is secured.
- Planning permission is secured no later than the end of April 20

3. Description

The project is to create a micro-grid for heat and energy in Crewe, providing low carbon heat, hot water and power initially to Crewe Court House, the Municipal buildings, Lifestyle Centre, Lyceum Theatre and proposed History Centre.

The heat will come from geothermal energy. Cheshire East is only of only six areas in the UK that have the potential to exploit geothermal heat.

The project will be a demonstrator with the potential to roll the scheme out to include residential properties as well as other commercial premises.

3.1.1. Strategic Case

The project has a strong strategic fit with the LEP's Energy strategy, the emerging Local Industrial Strategy and a national fit with the Government's Clean Growth strategy.

The project will help support regeneration of the town centre by providing a sustainable energy source and demonstrate the authority's commitment to achieving a net zero carbon economy.

The scheme is a good demonstrator and while there are other heat networks in the country, this would be the first in Cheshire and Warrington and therefore would be a good example to demonstrate this technology more locally.

3.1.2. Economic Case

The application states that the town centre regeneration may be constrained by lack of electricity capacity, but we know from the Crewe High Speed Ready Heart project that a new sub-station is being built. However, this project could provide further additional capacity and some resilience as well as more importantly providing low carbon heating.

A return on investment has been calculated for this scheme as part of the outline business case for the project. As the IRR is below the nominal HM Treasury discount rate (6.60% for 30 years and 6.09% thereafter), the scheme delivers a negative net present value (NPV).

The 25-year IRR was assessed at 3.0% with a 25-year NPV of -£86k. Based on a 40-year scheme lifetime, the BCR is calculated as 0.07. We would, however, suggest that the benefit calculations underestimate the potential impact and in truth are unable to follow their reasoning or method in making the assessment.

We've asked an economist to review the BCR calculation they have calculated the following: Analysis by ONS¹ shows that turnover per employee in construction to be around £190,000 which would result in construction jobs of 16 FTE for one year. On that basis, GVA would be around £800,000²

In terms of operational benefits, based on total opex of £9.4 million this will support a further 38 FTE jobs over the life of the project³. GVA per employee in the renewable sector is estimated at around £110,000 per employee⁴ which results in a total value of £4.2 million. Therefore, overall total (non-discounted) GVA contribution would be around £5 million which would then produce a BCR ratio of 1: 7 based on LEP inputs only or 1: 1.1.7 for all costs.

¹ Analysis showing the count, employment, employees and turnover (£'000s) of VAT and/or PAYE based Enterprises in the United Kingdom by employee size band for UK SIC 2007 Section F - Construction 2017

² Construction industry: statistics and policy: House of Commons 2019

³ ONS Low Carbon and Renewable Energy Economy Survey, indirect and total activity estimates 2017

⁴ The Size And Performance Of The UK Low Carbon Economy: BIS 2015 + UK deflator to 2020 prices

A BCR of 1:7 based on the LEP grant is considered high value for money. The overall BCR of the scheme is below the level that we would usually accept, but given the innovative nature of the scheme and strong strategic fit of the scheme and the fact that when just looking at the LGF BCR the scheme shows good value, it is recommended that it is supported.

The outputs for the project are:

| Outputs: | |
|-----------------------------------|----------------------|
| Private Match | 1,972,268 |
| Public Match | 300,000 |
| GVA | 5,000,000 |
| Green House Gas reduction tonnes: | 176 tonnes per annum |

3.1.3. Financial Case

The project is reliant on securing a total of £1.97m from the Future High Streets Fund, Heat Network Investment Project (HNIP) and private investment. A decision is expected in June on the High Street Fund (April stated in the business case).

A decision on HNIP funding is expected in February.

The proposed funding profile is set out below:

| Funder | Amount (£) |
|------------------------------|------------------|
| Future High Street Fund | 1,000,000 |
| Cheshire East Council | 300,000 |
| HNIP & Private Contributions | 972,268 |
| LGF | 700,000 |
| Total | 2,972,268 |

In addition to the above, the project will be built on land adjacent to the Lifestyle centre. The land is owned by the council and is part of the Lifestyle centre plot. The value of the land has not been included in the project costs but could be considered as a contribution

There is a significant risk that not all the funding will be secured/ and or in a timely manner but there is pipework that could be started under permitted development which will cost in excess of £700k. Whether CEC are prepared to underwrite the whole cost of the scheme in order to commit the £700k of LGF should be considered.

The scheme is still in outline design so while a quantified risk assessment has been undertaken there is still scope for the costs to increase.

3.1.4. Management Case (delivery)

The project has been in development for over 12 months and a full business case has been prepared to support the applications to other bodies.

The key milestones are listed below:

| Milestone | Start | Finish |
|--|--------|----------|
| Procurement of DBO contractor | Jul 20 | Dec 20 |
| Planning permission | Jan 20 | April 20 |
| Establish operating company (& approval) | Jan 20 | Jun 20 |
| Design phase | Dec 20 | Mar 21 |
| Construction phase | Mar 21 | Mar 22 |
| Construction completion and handover | | Mar 22 |
| Network operation | Apr 22 | Apr 62 |

To meet with the spending deadlines of the LGF programme, the timetable seems very tight. CEC have given assurance that the LGF can be spent fully by the end of March 21.

Cheshire Energy Networks (CEN) would take overall responsibility for the delivery of the project. Engie would be a partner to the CEN joint venture and have “exceptional” experience of installing and operating heat networks. CEN will set up an operating company to manage and operate the network.

3.1.5. Commercial Case

The project will be procured by CEC following an open procurement process through the Official Journal of the European Union (OJEU).

Three packages of work are required to be procured:

- Design and building of the energy network
- Operation and maintenance of the energy network
- Energy metering and billing services.

The need to secure value for money is embedded in CEC’s procurement processes so there isn’t expected to be any issues in this area.

3.1.6. Conclusion

This is an innovative project with a good strategic fit, however the level of funding that still needs to be secured for the project to go ahead makes it a high-risk project to the LGF programme unless CEC is prepared to step in if the other funding isn’t secured.

It is recommended that a funding offer is made but subject to the conditions set out in section 2.

Delivery Plan key action monitoring

| Skills | | Rag Rating | latest Position |
|---|----|------------|---|
| 1. Establish a Virtual Institute of Technology (subject to funding agreement) | Q3 | → | DWP approval received-and now contracted. Will publicise after purdah. Roll out of investment planned in New Year with small pilot starting in December/January. Now negotiating service level agreement between University of Chester (the accountable body) and the LEP. |
| 2. Evolve the Employers' Skills and Education Board so that it takes on the additional functionalities of a Skills Advisory Panel (including Local Authority representation) that works with local training and education providers to deliver the Skills and Education Plan priorities and to ensure training and education reflects the needs of employers in Cheshire and Warrington and the wider economy | Q3 | → | First meeting of new E&S board held in September. Also established Data and Labour Market Steering Group with all colleges and local authorities, the University, representatives of Secondary School Head teachers and Jobcentre Plus to work together to understand and advise Employers' Skills and Education Board on skills gaps and shortages and other key challenges that emerge from the data and analysis work. Data work needs to meet DFE specification set out for Skills Advisory Panel functions |

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| <p>3. As a Digital Skills Partnership, ensure that digital skills are a key priority as the skills and education priorities of the Employers' Skills and Education Board (the Pledge network and the Virtual Institute of Technology) are delivered. Recruit a Digital Skills Co-ordinator</p> | <p>Q1</p> | <p>→</p> | <p>Digital skills coordinator appointed and now in post. Already benefitting from national programmes being offered into C&W as a result of digital skills partnership e.g. Google delivered workshop to 700 young people during summer holidays. Working extensively with Pledge network to ensure digital programme is fully coordinated with Pledge delivery. First partnership meeting scheduled for January 14th</p> |
| <p>4. Agree priority investments to invest £5m of Skills Capital funding</p> | <p>Q2</p> | <p>↗</p> | <p>Eight projects approved (total value £2.1M). Remaining projects (total value of bids (£3.3M) to be submitted for approval to December Employers' Skills and Education Board and ratification by Jan P&I (approval delayed due to purdah). Meeting of all projects to identify opportunities for collaboration in January. All projects have strong strategic fit with LEP's skills and education priorities and all are focused on digital or STEM related learning.</p> |
| <p>5. Develop and implement a skills and education stakeholder engagement plan</p> | <p>Q3</p> | <p>→</p> | <p>A Data and Labour Market Steering Group has been established with all the colleges, local authorities, the University, representatives fo secondary head teachers and Jobcentre Plus to develop a shared understanding of the labour market and any mismatches between the supply and demand for skills and education. Work is also underway to develop a marketing programme for all skills investments.</p> |

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| 6. Recruit Pledge Facilitators to establish and support 10 local Pledge Partnership Boards | Q4 | ↗ | 13 staff now employed. 90% of all secondary schools engaged before the summer break. Now developing coherent plan of activities across Cheshire and Warrington. |
| 7. The Skills and Education priorities to be reviewed and evaluated and a Future Strategy for Skills developed from it. | Q4 | → | ongoing |
| Strategy | | | |
| 1. Develop and publish the Local Industrial Strategy (LIS) for Cheshire & Warrington | Q4 | → | Drafting of the Local Industrial Strategy is almost complete and is ready for testing with Government. There has been some movement within Government and there should be clarity on next steps for the LIS by the end of January |
| 2. Develop and publish a delivery and investment plan for the LIS. Delivery of early projects to commence in Q3 | Q4 | → | Initial work underway in conjunction with the Director of Transport & Investment. Will only go ahead if the LIS is published. |
| 3. Complete the development and publication of a Digital Strategy, including a Digital Infrastructure Plan | Q1 & Q3 | → | Digital Strategy Complete. Draft tender for development of the Digital Infrastructure Plan is being reviewed w/c 13th January and should be issued to the market by the end of January |
| 4. Complete the development and publication of the LEP's Science and Innovation Strategy and Delivery Plan. | Q1 | ↗ | Completed and to be uploaded to the LEP website shortly |
| 5. Develop a strategic partnership with Homes England and the LAs to deliver our Housing Strategy in conjunction with the Sub Regional Leaders Board | Q4 | → | Ongoing. Sub Regional Housing Board has been established, supported by the LEP, and Chaired by the CEO of Warrington BC. Work underway to develop and agree a prioritised sub regional project pipeline and this activity is on course for completion in February 2020 |
| Business Development | | | |

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| <p>1. Specific Outputs to be achieved by end of 2019/20:</p> | | | <p>Funding of £1.5m for additional support has been offered by BEIS. All the outputs below are to be reviewed and updated by the end of October.</p> |
| <p>1,350 Enquiries from individuals and businesses require support to start up and with growth (150 businesses are scale-ups with the aspiration and potential to deliver significant turnover growth over the next 3 year period of at least 50%):</p> | <p>Q4</p> | <p>↗</p> | <p>Overall we remain in deficit and expect this to remain through to year end. For the second month we saw an increase in the level of enquiries in part due to demand and also data collection from our recent investment into lead generation software. We envisage that this upward trend will continue for the remainder of the Financial Year with recruitment and delivery contracts for capacity going live.</p> |
| <ul style="list-style-type: none"> • 450 businesses and individuals supported – low intensity support (circa 1 hour support) | | <p>↗</p> | <p>With the increase in enquiries the gap is closing. Currently 330 now expect to meet target by the end of the Financial Year</p> |
| <ul style="list-style-type: none"> • 800 businesses – medium intensity support (Information Diagnostic and Brokerage) | | <p>↗</p> | <p>We remain significantly under target. Although with the new FDI Account Manager now undertaking visits and the current recruitment phase the ability to service will increase. Still expect to end the year under target. Looking to target activity also to increase outputs.</p> |
| <ul style="list-style-type: none"> • 100 businesses – high intensity support (Over 12 hours) | | <p>↘</p> | |
| <p>660 Businesses being signposted and referred to a business support programme/s</p> | | <p>→</p> | <p>448 referrals YTD for 251 businesses.</p> |
| <p>330 of the referrals made successfully progressing onto a business support programme/s</p> | | <p>→</p> | <p>Subject to ongoing review with partners. Difficult to capture data as the Growth Hub does not directly deliver.</p> |
| <p>2. Establish the Business Growth Committee to oversee the Growth & Skills Hub</p> | <p>Q1</p> | <p>→</p> | <p>Q2 Complete. Was dependent on Board appointments. Inaugural meeting taken place 5/11/19. Decision to meet monthly.</p> |

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| 3. Develop and launch a new website, alongside a refreshed LEP website | Q2 | ↗ | With MarComs Director and Marketing Cheshire developing a brief for the development of website. Expect live date at the end of the Financial Year. |
| 4. Deliver Account Management for Foreign Owned businesses landing 6 projects during 2019/20 and trade/investment advice to 50 companies | Q4 | → | Ongoing, on track to achieve targets with new FDI Account Manager mobilised. |
| 5. Develop a CRM system to support the day to day operation of the Growth Hub and inform the LEP's policy development work | Q1 | ↗ | CRM is live with and being fully utilised by Growth Hub including the Pledge team. Interim contract extended with current supplier to enable development of brief to procure a new CRM. |
| 6. Develop an inspirational programme of events engaging 82 SMEs, with Enterprise Co-ordinators working with 40 schools and engaging 3,050 young people | Q4 | → | Pledge team is now recruited and integrated into Growth Hub, development of programme has commenced and SMEs have started to be engaged. Enterprise Coordinators on target. Over 50 schools engaged and more than 2000 young people engage. 250 employers engaged. |
| 7. Aggregate demand for skills and education from x businesses to ensure they receive the training their businesses need. | Q4 | | Virtual Institute will not commence until Q3 at earliest, work has begun with pledge team but further work required. Need VIOT to be established |
| Infrastructure | | | |

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| 1. Work with partners to produce initial business cases for the key infrastructure projects identified in the Strategic Transport Plan to include, transport, broadband/IT and services (e.g. water and electricity) | Q3 | → | List of key projects collated. Work to priorities schemes ongoing. The process for prioritising studies and/or business case development for potential LEP funding contributions has been agreed by Strategy Committee, who have also allocated £400 in 2019/20 to support business case development for the following projects: Crewe Hub Access Package, Winnington Hill/Bridge Corridor Study, Chester City Gateway Masterplan, Warrington Last Mile, Warrington LCWIP, and Vauxhall Options Study (non-transport) |
| 2. Develop a Bus Strategy which fits in with Local Authority Transport Plans | Q2 | → | Initial meeting held with CWAC to review their work on the Bus strategy. Workshop was undertaken in December 2019 with operators to identify key issues. Next step is to create working group(s) to develop options for the identified issues. Timing for delivery will be impacted on by central government developing a national bus strategy which we will need to take into account. Likely to be complete by end of Q3. |
| 3. Develop a strategic outline business case for re-opening Middlewich rail Line | Q1 | → | Feasibility study complete. SOBC to be complete by end of Q3. |
| 4. Work with CEC and other sub-regional partners to ensure Crewe operates as a genuine HS2 hub station, enabling easy, quick connections to the rest of C&W and beyond. | Q3 | ↘ | Working with CEC to develop draft business case. Discussions ongoing. HS2 review will impact on the deadline. |
| 5. Influence Transport for the North to reflect the sub-regional priorities | ongoing | → | Ongoing. LEP and LAs feeding in on a regular basis and have representation of all the TfN groups. |
| 6. Ensure continued successful delivery of projects in the LGF programme, achieving spend of at least £16 million | Q4 | → | £19.36m spent. Working towards £25m of spend by end of q4. |

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| 7. Put in place a £4m investment programme to develop the region's energy infrastructure | Q2 | ↘ | 5 projects approved. A further project due for consideration at January P&I. |
| 8. Ensure Growing Places Loan Fund is fully deployed to support the development of the C&W economy | ongoing | → | £18.3m has now invested from the £12.1m fund. Limited funding available for new investments but open to applications. Further funding will be available in the new year from investments being transferred. |
| 9. Secure an extra £20 million of Evergreen funding | Q2 | → | New fund manager to be appointed following standstill period. |
| Enterprise Zone | | | |
| 1. Develop a long-term strategy for the development of the Cheshire Science Corridor linked to the Local Industrial Strategy | Q1 | → | Discussion paper on long-term strategy for Science Corridor taken to Sep EZ Board |
| 2. Develop a business case for the Crewe Hub EZ to support the delivery of the new HS2 station at Crewe and maximise the benefits of HS2 for the wider sub-region | Q2 | → | Revised draft business case due by end Nov. Ongoing conversations with BEIS, DFT and MCHCLG. Waiting of outcome of HS2 review. |
| 3. Develop and actively manage the investment pipeline for the Cheshire Science Corridor EZ | Q4 | → | Active discussions with landowners developers about prospective investors at Alderley Park, Birchwood Park, Hooton Park, Protos, Newport Business Park and Thornton Science Park |
| 4. Invest £12.8m in 8 new schemes in the Cheshire Science Corridor EZ | Q4 | → | Business case for £4m investment at Alderley Park considered by Sep EZ Board. Draft business case for £3m investment at Birchwood received. In discussions with Redsun about Phase 2 development at Hooton Park and with two prospective investors at Protos. |
| 5. Attract 55 new businesses into the Cheshire Science Corridor EZ | Q4 | ↗ | 20 new businesses at end Q2. |
| 6. Attract 1,200 new jobs onto the Cheshire Science Corridor EZ | Q4 | ↗ | 112 new jobs at end Q2. Target is premised on Royal London landing at Alderley Park in early 2020. |

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| 7. Create 580,000 sq ft of new floorspace in the Cheshire Science Corridor EZ | Q4 | ↗ | 560,000 sq ft new floorspace currently under construction. In discussions regarding a further 250,000 sq ft of development in the EZ |
| 8. Leverage £72m of new public and private sector investment in the Cheshire Science Corridor EZ | Q4 | → | £9.3m private sector investment in Q2. £50m investment in existing projects under construction that will complete this year. |
| 9. Generate £1.7m in retained business rates from the Cheshire Science Corridor EZ | Q4 | ↘ | £1.53m forecast retained business rates in local authority NNDR1 forms |
| 10. Support University of Chester to secure a JV partner for the development of Thornton Science Park | Q4 | ↘ | OJEU notice expected to be issued in December. |
| 11. Promote the wider science corridor in conjunction with neighbouring LEPS. | Q4 | ↘ | Not started - waiting for rebrand/updated marketing material for Science Corridor |
| 12. Develop business cases for Enterprise Zones elsewhere in Cheshire and Warrington to be deployed when the opportunity arises. | Q4 | → | Business case for the creation of a Crewe HS2 Growth Corridor under development. |
| In the process of securing £30m loan facility from the three local authorities | Additional | → | Expected to be complete by end of year. |

Marketing and Comms

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| 1. Establish Marketing Cheshire Board's leading governance role on Marcomms for LEP; working in partnership with local authority partners and other sub-committees as appropriate. | Q1 | → | Sub-committee in place meeting 3-weekly. |
| 2. Develop and implement a multi-channel corporate communications and marketing plan, including delivery of campaign activity | Q1 | ↗ | GH comms is ongoing, and we are now in the planning stages for business engagement for corporate activities in 2020. |
| 3. Development of a place marketing and inward investment strategy (including future appearances at MIPIM) for Cheshire and Warrington | Q2 | ↗ | Brief have been written and will be issued with a view to appointing early January. Evidence on track to be presented to leaders in Q4. |

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| 4. Deliver a programme of events and associated communications activity to support the work of the Growth Hub, to support increased stakeholder engagement activity | Ongoing | → | Growth Hub marketing and comms plan agreed in principle, final approval from sub-committee on 11th Sept. Activity will slow in Q3 due to purdah restrictions. |
| 5. Developing a comprehensive database of stakeholders and businesses, to support effective and increased engagement (captured and maintained within the LEP's CRM system) | Ongoing | ↘ | delayed due to issues with CRM. |
| 6. Review the LEP Brand and that of its sub-brands (Growth Hub, Science Corridor, Skills/Pledge/IoT) | Q2 | ↘ | As this has been put on hold until after the place approach has been determined, I would imagine this is something that won't now take place in this financial year. we are instead working to align the skills brands for example, and trying to take a logical approach where brand questions arise. |
| 7. Redevelopment of the LEP website including the site for the Growth Hub, Science Corridor and Invest in Cheshire, to support increased stakeholder and business engagement activity | Q2 | ↘ | Brief drafted, aiming to issue the brief in early Dec for development Q4/Q1 2020/21. Directive is it needs to run behind place marketing. |
| 8. Implementation (and ongoing evaluation) of plans | Q4 | → | ongoing |
| Governance and Transparency | | | |
| Appointment of Finance Director and incorporation of Marketing Cheshire into LEP's governance structure | Q1 | → | Completed |

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| Commence recruitment of a new Chair to ensure a timely handover | Q2 | → | Warren and partners were appointed as "head hunters" after a tender process. The recruitment panel, comprising Robert Davis, Roger Marsh, and an Louise Gittis (CWaC Leader) interviewed 6 candidates on 7/1/20, making a clear recommendation for both Chair and Deputy Chair. The board have been informed unofficially of the Chair, for final support at the meeting on 15/1. The Chair designate will meet with the preferred Deputy Chair, before the appointment is confirmed. A joint press announcement is anticipated before end of January. |
| Formulating membership of LEP sub-committees to enable them to take delegated financial decisions, including open recruitment of private sector members | Q1 | → | Completed, Q2 |
| Establishment of: | | | |
| ➤ Business Growth Committee | Q1 | → | Complete Q2. The business growth committee has been formed with a chair and deputy chair appointed from the board. |
| ➤ Inward investment Strategy Group | | → | The Inward Investment Strategy Group has met twice and is developing a draft for consultation with Local Authorities. This may begin at Growth Directors' late August. |
| Publish Annual Review | Q2 | → | Complete. The annual review was published alongside the AGM held on October 17th |
| Hold an Annual General Meeting | Q2 | → | Complete. 17/10 afternoon at Alderley Park. |
| Review and update the Local Assurance Framework | Q4 | → | Can't be updated until national guidance is issued in new year |

| | | | |
|------------------------------|----|---|--|
| Establish a Junior LEP Board | Q4 | ↗ | The Board agreed proposals in December. We are now planning the recruitment campaign with adverts / social media awareness until mid Feb, and interviews early March, and appointments to commence 1/4/20. Aimed at 18-27 year olds. Board of 10-12 members. |
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Cheshire & Warrington Local Enterprise Partnership Performance and Investment Committee

Title: LGF Skills Fund

Agenda item 6

Prepared by Rachel Laver

Date of Meeting: 22nd January 2020

1. Executive Summary

There are five projects which have been approved by the Employer Skills and Education (ESE) board which need ratification by performance and Investment committee. These are in addition to the eight projects already approved by the both ESE and the Performance and Investment committee.

In order to comply with the Assurance Framework, the five projects which are being considered for approval have been assessed against the five-case business model with comments against each case. An independent economist has reviewed the outputs and given a Benefits Cost Realisation (BCR) figure for each.

The projects detailed below are of varying quality, but all seem to have a good strategic fit in that they all seek to develop STEM skills. Broadly, there are a good level of outputs associated with the projects and the impact of the projects will be enhanced by ensuring there is co-ordination and cross promotion between the schemes. The first meeting of all the project leads has already been arranged.

There were 15 applications received in total. If the projects included in this report are approved there will be £469k left to allocate. The two remaining applications are still being developed and ESE expect to consider these for approval in February.

2. Background

The LEP has £5 million from Local Growth Fund round 3 of capital funding available to help deliver the skills and education priorities identified in Cheshire and Warrington's Strategic Economic Plan and the Skills and Education Plan.

Following advice from the Employers' Skills and Education (ESE) Board, the LEP issued three invitations to bid for the funds last summer:

- A maximum of five investments of up to £20,000
- A maximum of two investments of up to £250,000
- A maximum of five investments between £500,000 and £1,000,000

So far eight projects have been approved and are in the process of being established, mainly through the purchase of equipment and the refurbishment of space.

There are a further five projects which have been approved by the ESE board which they have now requested P&I consider for ratification.

The projects haven't been through a five-case approval process as set out in the Local Assurance Framework. Therefore, the following considered each of the five cases of each of the projects as it is important that each project is considered individually for approval rather than as a suite of projects.

A meeting has already been arranged for all the projects that have been approved by ESE including those detailed below to ensure that they work together to achieve the maximum impact.

3. Macclesfield College – Digital and advanced manufacturing

This project was originally submitted with a request for £894k of LGF. The grant funding was to go towards an extensive list of equipment to transform digital and advanced manufacturing skills. Following a review by the LEP's IT consultant it was felt this list was more extensive than it needed to be to achieve the project aims. The college was tasked with revisiting the equipment list and reducing it to what was essential to deliver the project. They reduced the LGF request by over £340k. The revised project is set out below:

Description: Investment in a new 'Digital Skills' Hub to be located at the college. The Digital Skills Hub will offer and provide the following additional areas of skills development and expertise: Agile project management, UX / UI User experience and user interface design, cyber security, coding and robotics. The college is currently designing new programmes of skills support, in conjunction with local employers to offer skills training in the above areas.

3.1.1. Strategic Case

According to the business case, it is estimated that 10% of Cheshire East adults have never been online and 23% do not have basic digital literacy. The project intends to provide over 700 learners with access to the digital hub and use the equipment over the next two years. The college intends to work with more businesses via the Pledge and engage more young people to increase their awareness and interest in new technologies and develop their skills. This will help to increase the number of people with digital and STEM related skills and address the gap in the market.

The project therefore has a good fit with the SEP and the Skills and Education plan and support the Cheshire and Warrington Digital and Skills partnership.

3.1.2. Economic Case

The business plan states that the project will run for three years and the outputs are based on this. The kit should last five years though so the college should be encouraged to run the project for longer which in turn will increase the value for money.

Working with other initiatives such as the PLEDGE and the Virtual Institute of Technology will further increase the impact of the project and maximise the opportunities that can be gained from it.

An independent economist has reviewed the outputs data and provided the following commentary and BCR calculation:

The applicant is unable to provide any employment information but for the sake of the analysis we have assumed 2 FTE over a 10-year period. That would result in 10 years' worth of GVA at £65,000 per annum (see earlier notes) which would produce £1.3 million (undiscounted).

If we include the impact on earnings of a 1% increase this results in additional earnings of £700,000 or £1.4 million GVA over the 10-year period.

This produces a **BCR of 1: 5.2** based on LEP costs only. If this was diluted to reflect additionality and discounting it would reduce to around 1: 2.5.

The BCR shows very high value for money. The table below details all the outputs that the college expect to generate. Just taking the businesses engaged at 80 in total would work out at £6875 per business and learner leading to a qualification would work out at £833 per learner. Both these metrics appear to be good value for money individually and the project is setting out to achieve both with the one pot of money.

The outputs for the project are:

| Outputs: | |
|--|--------|
| Public Match | 29,604 |
| Learners benefiting leading to a qualification | 660 |
| No of schools and colleges engaged | 38 |
| New learning space created | 224 |
| Businesses Supported/ benefitting | 80 |
| Jobs connected to the intervention (FTE) | 0 |

It should be noted that of the Chef's white academy, the college were contracted to deliver 40 apprenticeships and jobs (based on their own figures) and currently only 11 students are enrolled on the Chef's Whites course.

3.1.3. Financial Case

The LGF grant will be used to fund 100% of the capital costs of the scheme.

The revenue costs are less clear, with a figure of £18k pa. being quoted in the business case but only a total of £29,604 being stated as match funding to the project. The college contribution will be to maintain the equipment and to market and promote the project.

Whether the £18k p.a. is additional needs to be clarified.

The proposed funding profile is set out below:

| Funder | Amount (£) |
|---------------|-------------------|
| Public Sector | 54,000 |
| LGF | 521,615 |
| Total | 575,615 |

3.1.4. Management Case (delivery)

The project is entirely reliant on the LGF funding which is providing 100% of capital funding and 95% of the funding for the overall project costs.

An organogram has been provided which appear more a general one and not project specific.

With the £25k LGF grant that was awarded to Macclesfield College for the Chef's Whites Academy it has proved rather hard to get the required monitoring information from the college and the publicity requirements as set in the offer letter have not been adhered to. It would be therefore have been preferable to see who exactly is responsible for what and that there was a project manager who could co-ordinate activity and lead on the project.

Some consultation has been carried out with businesses as there are two letters of support included with the business case. No wider public consultation appears to have been carried out.

It is pleasing to see that they are planning to do some interim evaluation, but this and end of project evaluation should be a grant condition.

A project plan has been provided which shows all the equipment will be in-situ within 6 months of the project starting. Some other elements of the programme appear like they could be accelerated e.g. the development of the modules and online booking system.

The key milestones are listed below:

| Milestone | Start | Finish |
|----------------------------------|--------------|---------------|
| Prepare learning space | Jan 20 | Feb 20 |
| Procure capital equipment | Jan 20 | June 20 |
| Develop digital learning modules | Jan 20 | March 21 |
| Develop booking system | April 20 | Sept 20 |
| Start Delivery | Sept 20 | |

3.1.5. Commercial Case

The LGF will be used to buy equipment which will be done following public procurement rules.

3.1.6. Conclusion and Recommendation:

The project clearly has good strategic fit. There is concern about how committed the college are to the external use of the kit and making it mobile. We have had issues with performance on a previous Macclesfield College project which has received LGF funding and therefore if the funding is approved it is recommended that there are regular meetings with the college to ensure they deliver the outputs they have put forward and that the kit isn't just an internal resource.

It is recommended that the project is **approved** subject to the following conditions:

- The college confirms that grant is state-aid compliant.
- The college provide an electronic booking system so that the project is accessible to businesses and community groups.
- The college are contracted to provide training to staff at least four libraries in Cheshire East within 2020 on use the equipment.
- Clarification of the total revenue costs and therefore match funding.
- That the college commit to running the project for five years and have made provision for the associated revenue costs.
- The college committee to doing a mid-term and end of term evaluation of the project. The reports should be shared with the LEP and the finding disseminated as appropriate e.g. to the VIOT.

4. Reaseheath College - The Controlled Environment Food production Centre

The project is investment in a facility to develop precision horticulture through controlled environment food production. The Controlled Environment Food production Centre will support advances in innovative growing techniques in protected environments (including vertical farming) using data management and new technologies such as LED lighting, hydroponic/aeroponic growing systems, robotics, automated environmental and nutrient control, and biosecurity will allow improvement in food production efficiency and sustainability.

4.1.1. Strategic Case

The project isn't so much about food production as data production for analysis and learning. The project therefore will promote the development of STEM skills as well as looking alternative crop production methods. The project fits well with the LEP's SEP, Skills and Education plan and the Local Industrial Strategy. They have provided an extensive list of how the project links with other strategies which seem well thought through and soundly based.

4.1.2. Economic Case

There are clear links with this project to the wider food production economy, where agricultural land is becoming more scarce and traditional farming is becoming more difficult as the result of climate change.

The project will educate farmers how to improve production as the controlled environment means that conditions can be altered and the impact on crops analysed so that optimum conditions for maximum yield/quality can be calculated. The facilities will help support farmers decisions around future investments as well as upskilling the existing workforce.

The outputs for the project are:

| Outputs: | |
|---|----------|
| Public Match | £110,000 |
| Learners benefitting leading to a qualification | 100 |
| All learners benefitting | 2,225 |
| No of schools and colleges engaged | 30 |
| New learning space created | 16m2 |
| Businesses Supported/ benefitting | 250 |
| Jobs connected to the intervention (FTE) | 30 |

The outputs have been reviewed by an independent economist who calculated the BCR to be 1: 9 based on the total project cost. This represents **Very High** value for money.

4.1.3. Financial Case

The college is providing the land and building for the project and has confirmed that they will meet any overspend. They will meet the operating costs of the project.

The proposed funding profile is set out below:

| Funder | Amount (£) |
|---------------|----------------|
| Public Sector | 110,000 |
| LGF | 340,000 |
| Total | 450,000 |

The college has delivered four projects to date utilising LGF monies and have shown excellent financial management, putting in additional resources to build high specification projects than approved.

4.1.4. Management Case (delivery)

The project will be led by the Head of Premises who has already shown excellent project management skills in the delivery of the £28m of projects which LGF has already contributed to. A risk register has been compiled and a project plan provided.

Courses will run from September 20 to allow adequate time to install the equipment and promote the new courses.

The key milestones are listed below:

| Milestone | Start | Finish |
|---|---------|---------|
| Purchase and install equipment | May 20 | Jan 21 |
| Staff training modules | June 20 | June 20 |
| Testing and Commissioning of specialist equipment | Jan 21 | Jan 21 |
| Official Launch | | Jan 21 |

4.1.5. Commercial Case

The project will be procured inline with the college’s procurement and value for money strategy.

4.1.6. Conclusion and recommendation

This is well thought through project with a good strategic fit which offer great value for money. While vertical farming is becoming more established, date from it and skills in it are to date quite limited. This project will help address that gap and help improve skills in food production and support local agricultural businesses.

It is recommended that the project is **approved** with the following conditions:

- The college confirms that the project is state-aid compliant
- Evaluation to be carried out after the first full academic year of use and results disseminated

5. University of Chester – High Performance Cloud

The project is Investment in a client-server computing environment for mixed use by Industry and Education. The equipment will be split into two parts - a private cloud server and network estate (hosted within The University’s Riverside Data Centre for remote access by businesses/individuals from across Cheshire and Warrington) and a fixed and mobile client access device (a van fully set up).

Clients and Servers can be booked for set periods of time, from a single day up to 6 months/year. The resource will help to demonstrate to businesses and individuals the benefits of using the cloud. The function will allow users to connect remotely to a wider range of digital services than they have access to currently. They will be able to access a range of services through a self-service menu set up and maintained centrally in Chester. A fully kitted out van will be used to demonstrate and help users to explore data visualisation, HPC and/or cyber security issues. There will be room for 4-5 people to work inside. There will be a 5G connection to the private cloud and some of the equipment will be portable.

5.1.1. Strategic Case

AI and a data driven economy features as one of the Grand Challenges in the UK’s industrial strategy. This UK digital strategy predicts that within 20 years 90% of jobs will require an element of digital skills and the Data Skills Taskforce estimates that 1.2m new technical and digitally skills people are needed by 2022 to satisfy future skills demand.

This project has an excellent strategic fit not only at a national level but a local level by giving students and businesses an opportunity to develop their digital skills, make informed investment decisions and improve efficiency and productivity.

5.1.2. Economic Case

The project is aimed at businesses and individuals undertaking training rather than at the University's students. The outputs that have been put forward by the university appear challenging and are based on three years of operation. Outputs for 5 years of operation should be provided by the university.

The outputs for the project are:

| Outputs: | |
|------------------------------------|------------|
| Private Match | 1,075,303 |
| Public Sector Match | 325,000 |
| No of schools and colleges engaged | 17 |
| Businesses Supported/ benefitting | 220 |
| No. of learners benefitting | 12,000 |
| Jobs created | 1.5 |
| GVA (total over three years) | £5,966,664 |

An independent consultant has reviewed the figures and provided the following comment and BCR calculation.

We are slightly surprised that the application has not indicated any employment as there must be some associated with operations and maintenance. In addition, with commercial income this will reduce the total (discounted) costs of the project. On the basis of increasing skills (see section 1) we have assumed a minimal 1% uplift in wages (£106) which would result in increased earnings of £1.3 million. If this is translated as an increase in GVA using an average multiplier of 2¹ this provides a **BCR of 1: 2.9** based on LEP investment.

I've clarified that there are 1.5 jobs associated with running the project, the costs of which UOC will meet.

Based on a BCR on 1:2.9 the project offers very good value for money.

5.1.3. Financial Case

A breakdown of costs has been provided. The kitted-out van represents half the total grant requested and it is important to make sure that this asset is fully marketed and promoted to ensure use across Cheshire and Warrington.

¹ See for example Scottish Business Statistics 2019

A breakdown of the income has been supplied which shows that the charges for use of the facilities will be £98.8k per year. It is expected that this income will be used to meet the running costs of the project.

The proposed funding profile is set out below:

| Funder | Amount (£) |
|----------------|-------------------|
| Private Sector | 1,075,303 |
| Public sector | 325,000 |
| LGF | 893,005 |
| Total | 1,968,308 |

The costs of some of the kit have been queried and UOC has justified the costs of the kit.

The UOC will be committing £325k of its own funding toward the kit and will be covering all the revenue costs of the project, albeit the income is expected to offset some of these costs (approximately 50%).

5.1.4. Management Case (delivery)

The project will be delivered using the UOCs internal project management structure. UOC intend to produce case studies which should help generate further interest and disseminate learning

The key milestones are listed below:

| Milestone | Start | Finish |
|----------------------------|--------------|---------------|
| Procurement of Equipment | Jan 20 | April 20 |
| Appoint staff | Jan 20 | Feb 20 |
| Fit out of mobile facility | Apr 20 | May 20 |
| Mobile Demonstrations | May 20 | Dec 20 |

It is important to see that the project is delivered over 5 years. At present they are stating that the project will finish in December 2022.

5.1.5. Commercial Case

The project will be procured using the YOUC in house procurement team and following the UOC's procurement policy. All the equipment is standard so should be able to be purchased quickly and hopefully efficiently due to the amount of kit involved.

5.1.6. Conclusion and recommendation

The project has a good strategic fit and shows excellent value for money when you consider the large number of businesses and learners that will be engaged. It will be important that the college works to achieve these ambitious targets and they are not just forgotten as part of the application process. There is concern about how often the van will be used, especially given it is going to costs more than £600k. However, overall is well considered and well written bid.

It is recommended that the project is **approved** with the following conditions:

- Confirmation from the college that the project is state-aid compliant.
- Clarification that the match funding is private as stated and not public, given that it is from the UOC
- UOC to operate the project for five years and provide updated output information to reflect 5 years operation.
- UOC to underwrite the costs of the scheme and to ringfence any surplus income for further investment in the project.

6. Warrington and Royal Vale College – AMET Centres (Advanced Manufacturing and Engineering Centre)

The project is investment in two AMET *Advanced Manufacturing the Engineering) centres situated at each of the college's campuses in Warrington and Vale Royal. The AMET centres will enhance the skills of prospective and current employees through the acquisition of much needed industry-specific, specialist equipment, primarily for skills training and technical education, that meets employers' and sectoral needs.

In line with the Made Smarter Strategy, each AMET centre will be equipped with 'core' equipment, for example, robotics, industrial control and digital intelligence that supports the skills required for smarter manufacturing techniques and accelerates the adoption and use of Industrial Digital Technologies (IDT's) that will, ultimately, raise productivity and competitiveness. However, to complement and augment existing specialisms, the Warrington campus will focus on Mechatronics and Metrology (building on higher level electronics, engineering and construction and the built environment provision) and the Vale Royal campus on Metallurgy (building on higher level engineering provision). In this way, the AMET centres will create two distinct testing laboratories; one for Mechatronics and Metrology, the other for Metallurgy, that will serve the region as a specialist centres for materials measurement, testing and analysis. The equipment listed in the bid will mirror and augment workplace manufacturing and engineering practises and processes and will enable trial, fault finding, diagnosis and innovation whilst developing the skills to use IDT's.

6.1.1. Strategic Case

The project has a strong strategic fit with the SEP and Education and Learning plan as well as national initiatives to increase STEM skills.

The provision of the centres means that there will be local centres for students and businesses to learn to develop their skills in two specialised area. It will mean that businesses should be able to improve productivity and remain or increase competitiveness and that their leaners will enter the employment market with skills which are in demand.

6.1.2. Economic Case

The economic case for the project is strong. While job figures haven't been provided, there is in established shortage of skilled staff in the Metallurgy and Mechatronics and Metrology.

Jobs in these areas are likely to be higher value and so if people choose to live and work in the same area then the local economy will be supported through the increased spending power of workers. The centres also have the prospect of being able to attract businesses to the area through the course and kit available to use.

The outputs for the project are:

| Outputs: | |
|--|---------|
| Public Match | 713,000 |
| Learners benefiting leading to a qualification | 500 |
| New learners | 310 |
| Apprenticeships created | 200 |
| No of colleges and schools engaged | 22 |
| New learning space created | 408m2 |
| Businesses Supported/ benefitting | 60 |
| Jobs connected to the intervention (FTE) | 3 |

An independent economist has reviewed the outputs and has made the following comment:

The more readily quantifiable outputs are jobs and new qualifications.

As some of the benefits are all predicated well in the future, we must allow for a higher discount factor to reflect timing, risk and additionality and we suggest a 60% co-efficient.

The 3 jobs with a 60% discount factor and 10 year persistence would result in a GVA figure of £780,000 over the long term. If we allow for a 10% salary uplift from new qualifications again with a 60% discount this produces £1.3 million in GVA.

In total, this produces a **BCR of 1: 3.2** based on the LEP investment and 1: 1.5 based on all costs excluding any wider benefits from the skills outputs.,

Based on a BCR of 1:3.2 the project offers very high value for money. The numbers appear well considered and not so high as to be questionable. It's also food to see they plan to engage with 60 businesses. The learner outputs should just be checked to ensure the same learners aren't being counted in more than one category.

6.1.3. Financial Case

The college has committed to using its own resources to make the workspace fit for the new equipment and these costs have not been included. The college has also confirmed that they will meet the ongoing operational cost of the two centres which is what makes up their contribution of £713k.

The proposed funding profile is set out below:

| Funder | Amount (£) |
|---------------|-------------------|
| Public Sector | 713,000 |
| LGF | 656,000 |
| Total | 1,369,000 |

6.1.4. Management Case (delivery)

The project is reliant on the sale of the Hartford Campus to fund the college’s contribution to the project and therefore this is the biggest risk to the delivery of the project.

The project will be managed and delivered by the Senior and Executive leadership team. More detail would have been preferable but can be addressed by the provision of a project management plan.

Some high-level milestones have been provided:

| Milestone | Start | Finish |
|---|--------------|---------------|
| Equipment acquired and installed at both campuses | Jan 20 | Dec 20 |
| Learning opportunities promoted | Sept 20 | Sept 21 |
| First new cohort of learners start | Sept 21 | ongoing |
| Evaluation | Jan 22 | Sept 22 |

It’s very pleasing to see that the college has consulted with a wide range of businesses in the development of this project.

6.1.5. Commercial Case

The project will be procured in line with the college’s purchasing policy. The college is bound by its Financial Memorandum to delivery value for money.

6.1.6. Conclusion and recommendations

This appears to be a good project providing specialist skills in areas where the college has established demand in conjunction with other research. They have consulted with a range of businesses and organisations, helping them to tailor the offer.

The project is reliant on the sale of the Hartford campus and this does present a risk to delivery of the project and should be monitored closely if approved.

It is recommended that the project is approved subject to the following conditions:

- The cost profile is updated to separate the costs into capital and revenue.
- Clarify learner outputs so the same learners aren’t being counted twice by being included in more one category.

- Confirmation that the college’s contribution has been fully approved and is available no later than the end of March 20.
- A project management plan is provided no later than end of February 20.
- The centres should both operate for a minimum of 5 years and no kit acquired using LGF should be disposed of within this time without prior consultation with the LEP.
- The business plan is updated to reflect the latest project costs and outputs, showing the centres operating for five years.

7. Carpe Diem -Inspiration to all (IOTA)

The project is a 21st century skills lab, open to all (inspiration Open To All – IOTA). The lab which will be based in Warrington’s Pyramid will have hands on workshops and will inspire and train participants to increase their STEM confidence and raise aspirations across new technology and advanced engineering. The equipment will be portable.

Originally Carpe Diem submitted an application which indicated they were seeking upwards of £1m. The ask has been refined and it is now clearer what they intend to do but there are aspects of the business plan which are still not clear.

7.1.1. Strategic Case

Oddly given that the project is designed to develop STEM skills and therefore clearly has local and national strategic fit, the business plan doesn’t mention the SEP, the Skills and Education Plan, the Industrial Strategy etc. The strategic case is more focussed on Carpe Diem’s experience and reads more like a sales pitch. They do mention the Institute of Technology and their willingness to work with LGF skills funded projects which will give added value and they have engaged with two PLEDGE co-ordinators.

7.1.2. Economic Case

The outputs for the project are not very clear. The business plan refers in several places to 2750 students being trained and 300 adult learners per year, then the table completed in the business plan shows the following outputs:

| Outputs: | |
|---|---------|
| Private Match | 256,000 |
| Learners benefiting leading to a qualification* | 1,505 |
| Learners benefitting ** | 5,016 |
| No of schools and colleges engaged | 129 |
| New learning space created | 162m2 |
| Businesses Supported/ benefitting | 590 |
| Jobs connected to the intervention (FTE) | 37 |

*The figure for future years in the business plan has been divided by 4

**The figure for future years in the business plan has been divided by 3
It is not clear why the figures have been divided in this way.

All schools in Cheshire and Warrington will be targeted. How realistic it is that a school will transport students from as far away as Crewe and Ellesmere Port should be considered. The kit could travel to them though, but whether the skills lab can still operate when the kit is out on loan should be questioned.

The Lab is expected to run in the evenings and weekend. Whether staffing arrangements for out of hours is covered should be confirmed.

The outputs haven't yet been appraised independently. However, on face value they would appear to offer good value for money. It is important though that the figures are realistic, and that Carpe Diem are committed to delivering the numbers.

7.1.3. Financial Case

The proposed funding profile is set out below:

| Funder | Amount (£) |
|---------------|-------------------|
| Private | 256,000 |
| LGF | 142,560 |
| Total | 398,560 |

Carpe Diem project free of charge training sessions will equate to £53,750 per year. The IOTA will be run as a commercial enterprise reinvesting profit.

The paid for sessions will be secured as per "creativeHUT's current acquisition model... and followed up by telesales". As the project is proposed to be a run as a commercial enterprise there is the risk that income is not as high as anticipated which would mean that the free training sessions could not be offered and the kit could wouldn't be used as outlined in the bid.

They propose to have a sinking fund to cover repair and renewals which is good to see.

7.1.4. Management Case (delivery)

The project will be delivered by Carpe Diem staff and consultants which will be bought in on an ad-hoc basis.

The key milestones are listed below:

| Milestone | Start | Finish |
|--------------------------------------|--------------|---------------|
| Purchase equipment and fit out space | Jan 20 | July 20 |
| Run first programmes with businesses | Easter 20 | July 20 |

| | | |
|-------------------------------|-----------|---------|
| Launch Marketing | Easter 20 | July 20 |
| Summer Schools | July 20 | Sept 20 |
| First programmes with schools | Sept 20 | ongoing |

The business case states that they have not carried out any public consultation. It would be better to see that they are consulted with schools and businesses to ascertain demand.

Very little detail on the management and operation of the project has been provided. Given the nature of the project it would bet better to have seen or understood that a full risk register had been compiled.

7.1.5. Commercial Case

A long list of kit which is required has been provided along with costs. The costs are stated as included VAT. Whether Carpe Diem can recover VAT should be confirmed. Also, the costs include provision for 60 chairs which seems excessive for one skills lab.

The project will be procured “leveraging CreativeHUT’s trading partner status”. This apparently will cut out unnecessary intermediaries and get better value for money.

7.1.6. Conclusion and recommendations

The project will offer courses to develop STEM skills and therefore has a good strategic fit. The outputs appear challenging. With some of the other skills applications which are based in colleges it is easy to understand the credibility of student numbers. Thought should be given to the costs and logistics of getting so many students off campus to the skills lab and whether this is truly viable. However, the kit is portable, and the costs include two storage carts, whether this is enough to make the kit mobile should be clarified.

It is proposed that the lab is run as a commercial operation and so is essentially a new business. There is a risk that the income projections aren’t accurate, and the lab becomes unviable during the proposed duration of the project.

The difference in costs and benefits between some of the £20k skills projects approved should be noted and considered.

It is recommended that the project is approved with the following conditions:

- Confirmation of whether Carpe Diem can recover VAT. If they can the grant offer should be reduced accordingly (by £23,760).
- Confirmation that the project is state-aid compliant (It is under deminimus but need to confirm Carpe Diem haven’t received any other state aid in the last three years)
- Clarification of the outputs to be achieved with the basis for calculation provided and backed up by evidence of stakeholder engagement.
- The outputs should be reviewed by an independent economist and the BCR calculated. It should be at least 1:1.5 for the project to proceed.
- The LEP’s IT consultant should review the proposed kit list for appropriateness.
- Confirmation that provision has been made for all the kit to be portable and insurance provided.

- Confirmation that budget is confirmed to cover evening and weekend operation.
- The kit is returned to the LEP for distribution to other bodies if the first two years projected outputs aren't 80% achieved by the end of year 2.
- Provision of a project management plan by the end of February.



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

Title: Programme Manager Update Report

Agenda item:9

Prepared by Rachel Laver

Date of Report: 22nd January 2020

1. Executive Summary

As we move into the final quarter of the year, the focus is on contracting the remaining projects and spending this year's LGF allocation and the funding carried forward from 16/17. As at the end of q3 spend stood at £19.5m, well in excess of the allocation for the year of £8.3m. However, BEIS have made it clear that all funding held needs to be spent by the end of March.

There has been significant slippage of some projects, so the focus of the next quarter will be to look at what mitigation measures can be taken and to continue to drive projects forward so that not only this year's spend is achieved but that we ensure the remaining projects in the portfolio are in a position to spend all their allocated funds by end of March 21.

Local Growth Fund project update – Please see attached summary report.

Below are updates on projects by exception (a summary of all projects is included at Annex a)

1.1. Sustainable Travel Schemes

Four out of the eight projects given in principle approval remain to be contracted. The business cases for all four are expected to be ready for consideration at the February P&I meeting.

Sutton Way boulevard should be complete by the end of March.

1.2. Winsford Industrial Estate

This project has continued to reprofile continually since originally approved at the end of 2017. The profile put forward by the applicant when approved showed that they expected to have spent £7.5m by the end of March this year. Spend to date stands at £1.4m. CWAC have confirmed they expect to spend £924k by the end of this quarter in line with their revised profile.

They have appointed the main contactor and have the inception meeting arranged for 22nd January, therefore expenditure should be accelerated.

A meeting with the LEP has been arranged to discuss progress.

1.3. Ellesmere Port One Public Estate

The project was expected to start on site in October, but this was pushed back to January so that the Christmas shopping period wasn't disrupted. Work has now been rescheduled to February as there has been a delay with putting the traffic orders in place. CWAC are now predicting that £760k less of LGF grant will be spent this year than forecast but still expect to spend the full grant by the end of March 21.

1.4. A51 Tarvin Road

Progress is being made with this project but it is behind profile. Final design is still being developed.

1.5. Warrington West Station

The station opened in December. User numbers will be confirmed in due course.

Work on a sustainable access route to the station continues. Permission is required from Network rail to widen a pedestrian bridge on the proposed route.

1.6. Energy Fund

Offer letters for the projects approved in December will be issued this month.

£95,986 remains uncommitted in the energy fund.

It is recommended that £95k of this funding is given to Blue Orchid on top of the £600k approved. The £95k would enable Blue Orchid to support an extra 2-4 businesses. This is the only one of the Energy projects where giving additional funding would increase outputs, the rest would just be substituting other funding.

It is recommended that the remaining £986 is used towards the costs of creating a video detailing the progress of the energy projects to promote the benefits and share knowledge of these innovative investments.

1.7. Skills Fund

Offer letters have been issued for the first eight projects approved. Some have already said that they don't expect to spend the funding they had forecast to spend by the end of the year which is having an impact on the wider programme.

Astra Zeneca have made great progress with the Stem Centre and have already completed the refurbishment of the space ready for the equipment:



A further four projects are to be considered for approval at the meeting and are covered in a separate paper. One project is due to be considered for approval by the Employer and Skills board on the 15th January which will then need considering by P&I. There is a further two projects still in development and £469k uncommitted. It is understood that E&S will consider how best to spend this remaining funding.

A meeting is being held on the 21st January to bring all the projects together to look at building links between projects so they can achieve the maximum impact.

2. Finance

The total spend for the quarter was £2.155m against a profile of £2.4m.

The total spend for the year is now £19.5m and therefore £5.5m needs to be spent in the next quarter. We are currently forecasting £5.9m of which 70% relates to CWAC projects.

Due to slippage on a number of projects and expected further slippage on projects in the next quarter, how to mitigate the impact and still achieve £25m of spend for the year is being looked at. It is recommended that this is discussed in more depth at the February meeting when there is more time to discuss possible mitigation actions.

A full breakdown of project forecast spend for q4 is included in appendix B.

We continue to have issues with getting signed claims in on time from many of the projects which is impacting on our ability to report to CLG.

ACTION: Local authority representatives are asked to help ensure signed claims and monitoring reports are submitted on time.

3. Growing Places Fund (GPF) Update

We currently have seven live loans under the fund, six of which are Enterprise Zone (EZ) investments. We have one loan application under consideration and Cheshire Green Employment park which is now fully drawn and has requested an extension to the loan facility.

The Local authority loan for the Enterprise Zone hasn't yet been finalised. Therefore, the GPF fund isn't being actively marketed until more funding is available.

4. Evergreen

CBRE have been appointed as fund manager to the Evergreen Fund subject to successful completion of the standstill period.

5. Outputs

The Outputs have been updated to reflect the energy fund projects which have been contracted and the outputs reported as being achieved in Q3.

The outputs will be updated for the next meeting with the Q3 outputs.

| Outputs | BEIS Target | Contracted on projects | Achieved to date | Percentage achieved |
|--|-------------|------------------------|------------------|---------------------|
| New Commercial Floorspace (sqm) | | 700,344 | 359,326 | 51% |
| Renovated Commercial Floorspace (sqm) | | 2880 | 2880 | 100% |
| Businesses receiving investment | | 29 | 14 | 48% |
| Jobs created | 16125.65 | 15,896 | 8,101 | 51% |
| Private sector Leverage | 354.54 | 751 | 619 | 82% |
| Public Sector Leverage | | 236 | 119 | 51% |
| New homes completed | 6,044 | 14,108 | 3,031 | 21% |
| New home starts | | 11,563 | 2,217 | 19% |
| GVA | | 32.815 | 13.488 | 41% |
| Space occupied at Alderley Park (sqft) | | 18580 | 1244 | 7% |
| Total amount of new road (meters) | | 1201 | 1081 | 90% |
| Total amount of road resurfaced (meters) | | 2120 | 2920 | 138% |
| Constructions jobs | | 1122 | 150 | 13% |
| Learners benefitting | | 26854 | 25 | 0% |
| New Cycleway (m) | | 11064 | 0 | 0% |
| Business Supported/Benefitting | | 1278 | 0 | 0% |
| No. of schools and colleges engaged | | 166 | 0 | 0% |

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|---|--|--------|------|-----|
| Learners benefitting leading to a qualification | | 1055 | 0 | 0% |
| New learning space created (sqm) | | 6587.9 | 5532 | 84% |

1. Risks

The top corporate and programme risks are shown below.

Corporate

| RISK REF | RISK SCENARIO | | CURRENT CONTROLS / MITIGATION MEASURES | PLANNED ACTIONS | Controlled risk rating | | | Date to be actioned |
|----------|--|--|---|--|------------------------|------------------|-------|---------------------|
| | As a result of....there is a risk that... | the impact of which could result in.... | | | IMPACT {1-5} | LIKELIHOOD {1-5} | TOTAL | |
| 1 | As a result of project and program delays, there is a risk that the programmes do not achieve full expenditure | The LEP receives less funding in future, potentially jeopardising key economic projects necessary to deliver the economic targets for the sub-region. | Work with local authorities to look at how spend can be maximised and the risk of slippage minimised. Keep CLGU informed or progress of delivery and reasons for programme variation. | Work with local authorities to look at how spend can be maximised and the risk of slippage minimised. <i>For future programmes, learn lessons and, perhaps, impose stronger contractual obligations for delivery.</i> | 4 | 3 | 12 | by end of April |
| 6 | As a result of the LEP receiving a reduction in funding, e.g. post EU funds, there is a risk to ongoing economic development and investment in C&W | The LEP receiving less funding in future, potentially jeopardising key economic projects necessary to deliver the economic targets for the sub-region. | Maintain close links with funding departments, including MHCLG, BEIS, DfE, DiT, DCMS and be aware of funding programmes and opportunities | <i>Pursue and align to areas of economic development associated with new funding streams made available by Government.</i> | 4 | 2 | 8 | |

| | | | | | | | |
|----|--|---|---|--|---|---|----|
| 9 | As a result of the high degree of volatility with regard to EZ income arising from forecast accuracy, potential VOA revaluations, there is a risk of failure to exceed baseline on EZ sites meaning less or no income would be due to the LEP. | Unable to undertake the necessary EZ investments, repay loans and develop other areas of LEP activity. | Meet 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 understanding of companies operating within the EZ and their commercial risk with a view to determining the level of EZ reserve that the LEP should retain to cope with changes of income. | 3 | 4 | 12 |
| 16 | As a result of failing to effectively market the "Place" of Cheshire and Warrington to businesses and people there is a risk of insufficient investors or insufficient skills and capabilities to deliver the economic aims. | Failure to deliver economic growth, skills or the quality of place aspired to in the Strategic Economic Plan and Local Industrial Strategy. (Currently little evidence that the economy of C&W has suffered historically from the lack of Inward Investment or Place plans) | MC has been more closely integrated into the LEP, and a joint committee established to approve and promote the "place" marketing strategy. | Put in place an Inward Investment Plan and Place Marketing plan. This will be a joint effort with Local Authorities and other stakeholders and is already underway. | 4 | 2 | 8 |
| 12 | As a result of uncertain economic conditions, or onerous programme deliverables, there is a risk of a lack of suitable projects, or demand for LEP funds. | Failure to deliver economic growth, skills or the quality of place aspired to in the Strategic Economic Plan and Local Industrial Strategy. | The LEP continues to market support to local authorities, businesses and colleges for programmes concomitant with the various programme funds initiated by Government departments. | 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. | 3 | 3 | 9 |
| 14 | Policy change within government may mean that LEPs are disbanded | The LEP needs to ensure it maintains adequate budget to wind up the LEP including staff redundancies and the legal costs of transferring contracts, winding up all the services etc. | The work that the LEP does can perhaps largely be transferred to other bodies. The reason for holding the reserves should continue to be made clear in the accounts. | | 3 | 3 | 9 |

Programme Risks

| RISK SCENARIO | | EXISTING CONTROLS / MITIGATION MEASURES | FUTURE RISK RATING | | |
|--|---|--|--------------------|------------------|-------|
| RISK | IMPACT | | IMPACT {1-5} | LIKELIHOOD {1-5} | TOTAL |
| Unable or delayed in securing funding package from local authorities for the EZ investment programme. | Loss of retained business rate income, stalled developments, reputational risk to the LEP amongst stakeholders. Unable to realise the full potential of the EZ. | Investment prospectus and cashflow submitted to Local authorities. Meetings with s151 officers set up. Benefits of funding EZ clearly articulated to LAs. Fall back position is to cash flow early interventions from GPF. | 5 | 3 | 15 |
| Crewe Hub - Risk that the funding isn't fully spent due to the delays with the project | Reputational risk. Not achieving the maximum connectivity to the Hub and thereby reducing the economic benefits of the Hub and VfM. | Working closely with CEC, DfT and the rail industry to deliver a scheme which supports the wider economic growth of the region. | 5 | 3 | 15 |
| Lack of suitable projects that you can utilise the LGF Energy Funding within the timescales/delays to issuing a new call for the fund reduces the ability to spend the funding and impacts profile | Loss of funding and reputational damage | Wait for the LIS to be developed and then look to generate interest from projects which are clearly aligned to the LEP to maximise benefit | 4 | 3 | 12 |
| Inadequate funding provided to meet initial running costs of Evergreen fund | Unable to secure ERDF funding. Potential loss of funding and reputational damage | Look to reduce costs and look at alternative sources of funding | 4 | 3 | 12 |
| Not having a quality pipeline of projects and/or lack of finance to develop quality business cases. | Inability to delivery SEP priorities. Reputational Damage. Impacts ability to secure funding to deliver projects e.g. SPF. | LEP to develop funding stream which will catalyse support for development. Work closely with 3 LAs to develop schemes which meet SEP priorities. | 4 | 3 | 12 |

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| <p>Lack of suitable projects and/or appropriate match funding to form ESIF programme pipeline to meet eligible criteria including meeting cross cutting thematic objectives. Final allocations to be made by end of 2019 or unallocated funds will be taken into central Reserve Fund. Lack of partner support to deploy remaining funds and sources of match funding particularly under the European Social Fund.</p> | <p>ESIF programme does not meet its outputs/outcomes which could result in loss of funding for the sub region. Damage to LEP reputation and credibility both locally and nationally as well as with Government which could impact on consideration for future funding rounds i.e. the future prosperity fund. Loss of funding to the Sub Region to support delivery of growth, jobs and businesses in Cheshire and Warrington and delivery of SEP.</p> | <p>Continue to work with partners to develop pipeline. CLG figure for ERDF as of January 19 shows that £10.5m is left to allocate. Two further calls planned for 2019. For ESF there is circa £6m remaining to allocate, funding calls are planned for July and Sept 2019.</p> | <p>4</p> | <p>3</p> | <p>12</p> |
| <p>Thematic objective 4 (Low Carbon) is not delivered in full (maximum £16.3m programme) This priority is currently the least committed with latest figures showing £4.8m left to allocate. The funding has challenging output targets and evidence requirements.</p> | <p>Potential loss of ERDF funding to the sub region if not all the Low Carbon allocation is not fully spent and ESIF programme does not meet its outputs/outcomes which could result in loss of funding from the sub region. Damage to LEP reputation and credibility both locally and nationally as well as with the EU which could impact on consideration future funding rounds.</p> | <ul style="list-style-type: none"> - Low Carbon strategy group set up to specifically focus on development and delivery of the Low Carbon thematic objective and to identify suitable projects for delivery of remaining £4.8m budget. - A Low Carbon Action plan has been completed which will help inform the calls this year. - Allocation of £3m to NPIF to finance Low Carbon projects. £4.1m of LGF available which could be used as match against projects. Two further ERDF calls planned for 2019 | <p>4</p> | <p>3</p> | <p>12</p> |

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| <p>Out of a total programme of £70m only £27m is currently "Live". There is therefore a risk non delivery, underspend and the quality of the applications under consideration cannot be guaranteed.</p> | <p>Potential loss of ERDF funding to the sub region if all allocation is not fully spent and ESIF programme does not meet its outputs/outcomes which could result in loss of funding from the sub region. Damage to LEP reputation and credibility both locally and nationally as well as with the EU which could impact on consideration future funding rounds.</p> | <p>£33m of applications are currently in assessment stage either full or outline. Carry on working with applicants to develop bids and interest in future funding rounds.</p> | <p>4</p> | <p>3</p> | <p>12</p> |
| <p>Crewe High Speed Ready Heart fails to spend all the LGF due to delays with the programme</p> | <p>Loss of LGF, Funding gap for the council, reputational damage to the LEP and Council. May impact ability to secure future funding. Impacts the LEP rating</p> | <p>Council looking at options for achieving spend including making stage payments to the developer. Need to look to see if there are other project to spend the LGF on within the council.</p> | <p>4</p> | <p>3</p> | <p>12</p> |

Summary of project status

updated: Nov-19

| Project Name | Main Recipient | Main Contractor | Project description | Total Cost (£) | LGF Grant (£) | Total Paid to date (£) | Current Position |
|--|--|---|--|----------------|---------------|------------------------|--|
| LGF | | | | | | | |
| Completed Schemes | | | | | | | |
| GM & Cheshire Life Science Investment Programme | Catapult Ventures | Catapult Ventures | £31m Life sciences Investment Fund. | 31,982,000 | 10,000,000 | 10,000,000 | Invested £17.4m into 27 investments. 14 of which are in C&W. Full grant paid |
| Centre Park Link (Warrington) | Warrington Borough Council | Balfour Beatty | The Centre Park Link comprises a new highway route into the Town Centre, providing access to developable land. This involves the construction of a new bridge structure and associated highway link. | 19,891,000 | 5,300,000 | 4,770,000 | main works started on site in May and going well. |
| Warrington West Station | Warrington Borough Council | Balfour Beatty | New train Station. The new Warrington West railway station will act as a key interchange node and serve residential properties within the north and west of Warrington and improve accessibility to the Omega and Lingley Mere employment sites. | 19,694,000 | 6,530,000 | 6,530,000 | Station opened in December 19, operating 2 trains per hour |
| Ellesmere Port Central Development Zone | Cheshire West and Chester Council | Vinci | Development of new council offices for use by C WAV staff, DWP and For Housing on old bus station site. Relocation of bus station, demolition of existing council offices to make way for new housing. | 17,392,000 | 8,332,000 | 1,336,373 | Contractor appointed and now due to start on site in February |
| Crewe High Speed-ready Heart Town Centre Regeneration Programme | Cheshire East Council | Parkinsons to lead Market Hall Work. Peverell Security is the developer for the Royal Arcade site | The overall scheme is £69m and will see significant remodelling of the town centre, including the demolition and relocation of the existing bus station and the creation of a new shopping arcade. The business case put forward concentrates on the elements to be funded through LGF and the Cheshire East Council, which are, the Bus Station, new multi-story car park, public realm and reconfiguration and updating of the markets. | 69,000,000 | 10,000,000 | 2,018,039 | Market Hall works ongoing. Wider development work still being progressed through design. |
| Unlocking Winsford Industrial expansion Land | Cheshire West and Chester Council | A E Yates | Infrastructure works to open up the site for redevelopment to create new commercial and industrial buildings with associated jobs. | 5,000,000 | 3,800,000 | 1,277,594 | Work ongoing on site |
| Tarvin Road (Chester) | Cheshire West and Chester Council | Balfour Beatty | Improvement to the highway to help improve traffic flow. | 5,427,000 | 3,663,000 | 587,680 | CWAC approved additional funding required for the scheme. Land negotiations going well. Due to start on site in January. |
| Warrington East Highways Improvements | Warrington Borough Council | Balfour Beatty | A five part scheme of traffic improvements to open up development sites and improve traffic flow. | 13,500,000 | 6,900,000 | 3,530,132 | All phases now complete. Opening of phase 3 in Mid January. |
| Omega Local Highways Schemes phase 1 | Warrington Borough Council | Not yet appointed contractor | Highway improvements. Preferred option currently being developed. | 6,465,000 | 4,300,000 | - | Outline business case completed and approved. FBC being worked up for consideration in April. |
| Skills | | | | | | | |
| C&W Security Training | Youth Federation | Youth Federation | an investment in computers, servers and networking equipment to deliver cyber security training to individual learners and local businesses. The equipment will be based at the Science and Technology Facilities Council, Daresbury. The proposed business model is based on an existing facility in Salford. | 72,500 | 16,500 | - | Space required now required and refurbished. Equipment to be procured during quarter. |
| Community Learning Hubs | Warrington and Vale | Warrington and Vale | Project to provide digital equipment for use in the community by adult learners and the workforce of local businesses, situated in 'Community Digital Learning Hubs' at Northwich and Winsford libraries. The college will co-locate some of its adult and community (ACL) provision at the libraries and will augment existing learning opportunities there, primarily focusing upon digital familiarisation and upskilling. | 39,100 | 26,067 | | Project expected to start in q1 following the purchasing and set up of new equipment. |
| Developing Skills and Career Pathways In additive Manufacturing and VR/AR using augmented assistance | CCSW in collaboration with Forward Futures | CCSW in collaboration with | an investment in portable, entry level specialist equipment to support the development of additive manufacturing and virtual and augmented reality. The equipment will be based at Cheshire College South and West's Crewe campus. | #VALUE! | 19,617 | | Project expected to start in q1 following the purchasing and set up of new equipment. |
| Livewire Warrington CIC | Livewire | Livewire | an investment in equipment to deliver coding, digital fabrication, physical computing workshops to young people and vulnerable people in schools, central and neighbourhood libraries and businesses within Warrington. The investment would build on pilot work already undertaken by LiveWire Warrington library staff and Spark at Penketh High School. | 37,442 | 19,542 | | Project expected to start in q1 following the purchasing and set up of new equipment. |
| 21st Century Skills Lab | UTC Warrington | UTC Warrington | an investment in specialist equipment to support the development of computer network management and cyber security skills. The equipment would complement the UTC's cyber curriculum. The equipment would be located at Warrington UTC but could be moved and installed at a range of temporary sites. | | 20,000 | | Project expected to start in q1 following the purchasing and set up of new equipment. |
| Macclesfield Stem Centre | Astra Zeneca | Astra Zeneca | Investment in a STEM Centre at AstraZeneca Macclesfield to allow employees and visitors to experience AR, VR, 3D Printing and Projection Mapping. The STEM Centre will be a dedicated building and use existing underutilised space on the AstraZeneca Macclesfield site whereby employees can go to experience immersive digital content for training in digital and increase their awareness and understanding of advanced manufacturing and research. | 304,940 | 268,420 | | Project expected to start in q1 following the purchasing and set up of new equipment. |

| | | | | | | | |
|---|-----------------------------------|---------------------------------|---|-------------------|------------------|-----------|---|
| Specialist equipment to transform Digital and advanced Engineering skills | Cheshire College South and West | Cheshire College South and West | Investment in a digital hub employing cutting edge technology including Virtual Reality, Augmented Reality, Robotics and Additive Manufacturing that would be based in a central and fully accessible Digital Hub on College campuses. A proportion of the equipment that is readily portable will be incorporated into a mobile learning centre that will deliver the opportunity to engage with the technology and the desired reskilling and upskilling. | 1,772,352 | 913,647 | | Project expected to start in q1 following the purchasing and set up of new equipment. |
| Automatic Milking dairy | Reaseheath College | Reaseheath College | Investment in a new automatic milking dairy to provide training, upskilling and reskilling and education in digitalisation, robotics and data-driven dairy management. A key part of this is the creation of a Centre for Dairy Automation and Robotic Milking. | 816,000 | 681,000 | | Project expected to start in q1 following the purchasing and set up of new equipment. |
| The Controlled environment Food Production Centre | Reaseheath College | Reaseheath College | Facility to develop precision horticulture through controlled environment food production. | 450,000 | 340,000 | | Due for consideration by P&I in January |
| Specialist equipment to transform Digital and advanced manufacturing skills | Macclesfield College | Macclesfield College | New Digital Hub to provide Agile Project Mgt training, cyber security, coding and robotics. | 551,219 | 521,615 | | Due for consideration by P&I in January |
| High Performance Private cloud | UOC | UOC | Investment in client server computing environment for use by industry and education. | 1,968,308 | 893,005 | | Due for consideration by P&I in January |
| IOTA | Carpe Diem | Carpe Diem | skills lab to train participants in their STEM confidence and raise aspirations across new technology and advanced engineering. | 398,560 | 142,560 | | Due for consideration by P&I in January |
| AMET centres - Warrington Campus and Vale Royal campus | Warrington and Vale Royal | Warrington and Vale Royal | Advanced manufacturing and Engineering Centres. The Centres will enhance the skills of prospective and current employees through the training is the use of specialist equipment. | 1,369,000 | 656,000 | | Due for consideration by P&I in January |
| Energy Innovation | | | | | | | |
| | | | | | | | - |
| Low carbon Energy Efficient grant | Blue Orchid | Various | Energy Audit and Grant programme for SMEs | 1,320,030 | 600,000 | | Additional £95k of LGF to be considered by P&I in January |
| Project Vanguard | Storengy | TBC | Green Hydrogen Generation and refuelling station at Middlewich refuse truck depot. Four vehicles to be converted to Hydrogen. Refuelling services to be made available to NW hydrogen alliance members. | 1,035,000 | 300,000 | | Planning application to be submitted by end of February |
| Netzero Cheshire | EA Technology | EA Technology | Development of a net carbon-zero smart energy building. Including ground sources heat pump, LED lighting, PVs, 20 EV charging points | 753,000 | 335,000 | | Project approved and now in design and development. |
| Protos Hydrogen production facility | Waste2tricity | Waste2tricity | Scheme to covert waste plastic to electricity and hydrogen | 19,000,000 | 1,250,000 | | Project approved subject to planning approval being gained by end of March 20 |
| Delivering network visibility in Cheshire's Energy Innovation district | SP energy networks/Ea Tech | EA Technology | Collecting data from 673 sub stations to help understand constraints and trade variable loads | 1,650,168 | 825,084 | | Project approved in December. Now procuring equipment for installation. |
| Crewe Town Centre Heat Network | Cheshire East Council | TBC | | 2,972,000 | 700,000 | | |
| Sub-total | | | | 26,730,198 | 4,010,084 | | - |
| Joint Cheshire and Warrington Sustainable Travel Access Fund | | | | | | | |
| Burtonwood Omega Path | Warrington Borough Council | tbc | This is a new 3.5m wide shared use path alongside Burtonwood Road/Clay Lane in North Warrington which aims to provide a safe, secure and attractive cycling and walking link between the west side of Burtonwood village and the commercial and employment growth areas of Omega, Gemini and Lingley Mere. The length of the proposed path is 2.4km | 1,000,000 | 500,000 | | CPO inquiry now held. Project due to start on site in early summer. |
| Chester Road | Warrington Borough Council | tbc | Pedestrian and cycle route along Chester Road. Will link to Centre Park Link (another Luff scheme) and link into the trans Pennine Way. | 900,000 | 600,000 | | Business case due to be considered for approval in February |
| TPT Upgrade | Warrington Borough Council | tbc | To widen and upgrade the Trans Pennine trail which is a tourist attraction as well as a link between residential and employment sites. | 900,000 | 600,000 | | Business case due to be considered for approval in February |
| Wilmslow Strategic Cycle and Walking route | Cheshire East Council | tbc | Upgrading of pedestrian and cycle links between Royal London site and Wilmslow. Fill gaps in the off-road route between Wilmslow and key employment sites Inc. Alderley Park, Waters and Manchester Airport Enterprise Zone. Total route length to be upgraded is 2.7km | 1,300,000 | 500,000 | | Project Approved. Due to start on site in Summer 20 |
| Northwest Crewe Cycling and Walking Link | Cheshire East Council | tbc | Extending a cycling and walking path linking Crewe and Nantwich, the Bentley employment site, Leighton Hospital and residential areas. NR widening bridge at Boulderstone Bridge, this project will link into the widened bridge. | 2,145,000 | 1,100,000 | | Project approved. Due to start on site in Autumn 20 |
| A5117 Cycle Route, Ellesmere Port | Cheshire West and Chester Council | tbc | 4.5km cycleway linking Ellesmere Port and Chester. | 602,000 | 380,000 | | Business case due to be considered for approval in February |
| Ellesmere Port Canal Towpath | Cheshire West and Chester Council | tbc | Enhancement of 2.2km of canal towpath between A41, Ellesmere Port and Chester to shared use. | 4,379,000 | 680,000 | | Business case due to be considered for approval in February |
| Sutton Way Boulevard, Ellesmere Port | Cheshire West and Chester Council | Ringway Jacobs | 1 mile new shared pathway which will link the town centre with the western fringe and residential areas and provide a link to Chester by joining up with Stoney Lane. | 1,024,000 | 640,000 | 3,291 | Approved. Will be complete by end of March 20 |
| Chef's Whites Academy | Macclesfield College | no contractor | The LGF grant will be used to buy equipment to enable the college to set up the Chef's Whites Academy and run courses from September 2019. The course is expected to create apprentice opportunities for 40 students. | 200,000 | 25,000 | 25,000 | Course started. 11 students enrolled. More expected next year. |
| Completed LGF schemes | | | | | | | |
| Birchwood Pinch point (Warrington East Phase 1) | Warrington Borough Council | Balfour Beatty | The scheme aims to improve access to Birchwood Park. It includes: Signal improvements at junction of Birchwood Way/Birchwood Park Avenue A bus only link connecting the Birchwood Way/Faraday Street junction with Ordnance Avenue The replacement of the Moss Gate roundabout with a higher capacity junction to eliminate traffic congestion, accessibility and road safety problems | 3,620,000 | 2,140,000 | 2,140,000 | Completed |

| | | | | | | | |
|---|--|---|---|------------|-----------------|------------|--|
| M62 J8 Junction Improvements | Warrington Borough Council | Balfour Beatty | The scheme involves the remodelling of the current junction to increase capacity and improve traffic flow. | 11,690,000 | 5,000,000 | 5,000,000 | Completed June 18 |
| Chester Central (Northgate and Bus Interchange) | Cheshire West and Chester Council | Graham Construction | The project is to create a new Bus Interchange. The old bus station site will then be freed up to form part of the E380m Northgate development which will see new retail and leisure opportunities developed. | 21,000,000 | 13,500,000 | 13,500,000 | Completed May 17 |
| Thornton Science Park (Chester) | University of Chester | Wilmot Dixon Construction | The project is to refurbish an existing building to create an energy demonstrator. The aim of the Demonstrator is to provide a flexible platform (with office and laboratory space) for research and development, focusing on testing new and emerging technologies across all aspects of energy systems and smart grids. The initial objective is to concentrate research on emerging energy storage technologies. | 16,744,000 | 6,800,000 | 6,800,000 | Completed May 17 |
| Reaseheath Employer Focused Hub | Reaseheath College | John Turner Construction Group Ltd. | Construction of new lecture theatres, teaching and break out study areas of approximately 500m2 connecting the existing HE centre with the centre point building and refurbishment of the existing building approximately 337 m2 | 2,045,000 | 674,850 | 674,850 | Project complete and operational |
| Reaseheath Agri Tech Centre | Reaseheath College | Engineering Extension - Novaplus Ltd. Agritech - Pochin Construction Ltd. | The National Centre for Agri-tech and advanced engineering will provide general teaching areas, workshop space, specialised facilities for robotics, tractor simulation, GPS and the most advanced agricultural engineering machines associated with precision farming, meeting current and future skills needs. In addition the project will introduce robotics to the college farm and livestock management improving animal welfare, farm productivity and reducing environmental impacts. | 7,000,000 | 2,475,000 | 2,475,000 | Project complete and operational |
| Reaseheath Sports Science and Performance Academy | Reaseheath College | Sports pitches - Blakedown Sport & Play Ltd. Sports Hall - Pochin Construction Ltd. | The construction of new sports facilities to deliver all year round sports provision, wider range of activities, sports science and performance laboratories, increasing recruitment and delivering higher level skills to all sports and public service learners. It will provide essential recreational facilities for 1200 residential students and the local community. The new facilities to include a sports hall a new MUGA pitch and a new 3G pitch to Sports England specifications. | 6,000,000 | 2,170,000 | 2,170,000 | Project complete and operational |
| Crewe Green Roundabout | Cheshire East Council | Balfour Beatty | Redesign of the existing roundabout to increase capacity and reduce congestion at this pinch point. | 7,423,000 | 3,300,000 | 3,300,000 | Completed October 18. |
| Ellesmere Port and Chester Campus remodelling | South Cheshire College | Wilmott Dixon | The project is to reconfigure the teaching and learning spaces at the Ellesmere Port and Chester Campuses. This is following an Ofsted report which gave the college an Inadequate grading. This was due in part, to the open design and layout of teaching spaces meant that learning is often disrupted by noise from other parts of the building. | 3,500,000 | 3,198,000 | 3,198,000 | Project complete and operational |
| Reaseheath Learning Hub and Accommodation | Reaseheath College | Learning Hub - Novaplus Ltd. Accommodation - Pochin Construction Ltd | The replacement of temporary residential units (180 beds) with a new 200 bed purpose built facility that will provide accommodation for approximately 320 students meeting increased demand. Addressing significant condition issues in central scientific laboratory Hub | 9,980,000 | 3,556,000 | 3,556,000 | Project complete and operational |
| Sydney Road Bridge (Crewe) | Cheshire East Council | Network Rail and J Murphy & Sons | Replacement of the bridge at Sydney Road with a new bridge which take two lanes of traffic, plus a pedestrian path. The new bridge will reduce congestion in the area. | 10,497,000 | 5,850,000 | 5,850,000 | Project complete and operational |
| Major Transport Schemes | | | | | | | |
| Poynton Relief Road | Cheshire East Council | Grahams construction | Poynton Relief Road is a proposed 3km single carriageway road scheme to the west of Poynton with the primary aims of relieving village centre congestion and regenerating the north of the borough. | 50,657,000 | 21,000,000 | 5,040,000 | FBC submitted to DfT. Awaiting a decision. CPO process subject to high court challenge |
| Congleton Link Road | Cheshire East Council | Graham Construction | A new 5.5km road for Congleton to reduce congestion and support town centre regeneration. The Congleton Link Road would join the A534 Sandbach Road (to West of Congleton) with the A536 Macclesfield Road (to the North of the town). | 90,743,268 | 45,000,000 | 5,000,000 | Work progressing well on site. Due to complete September 20 |
| GPF | | | | | Loan (£) | | |
| Cheshire Green Employment Park | Cheshire Green Employment Park Limited | Jones Bros. | Infrastructure works to open up the site for redevelopment to create new commercial and industrial buildings with associated jobs. | 14,000,000 | 3,650,000 | 3,200,000 | First phase completed. Land revalued. Number of plots now sold. Phase 2 works ongoing. |
| Glasshouse, Alderley Park | Bruntwood | Workspace and GMI | Refurbishment of a previously owned Astra Zeneca building into new office space. | 27,800,000 | 3,873,000 | 2,726,498 | Due to open in February |
| New Bridge Road Sub Station | Peel Investment | LEAP utilities | New 10 Mva Sub station to facilitate £70m of investment in the creation of new cardboard manufacturing plant and open up 5 EZ sites for development premises | 1,737,816 | 590,857 | 590,857 | work completed and operational |
| Aviator | Redsun Developments Ltd | Cadex | 125k sqft industrial Unit | 10,786,918 | 1,701,418 | 803,778 | Due to complete end of January 20 |
| Helix Phase 2 | Gaerwen Properties | Portal | 3 industrial units totalling 30k sqft | 3,728,223 | 659,347 | - | Scheme is complete. Awaiting final claim |
| Newport Rhino | Andrews4 Property | Portal | 82k sqft European HQ of Rhino properties | 6,187,228 | 792,670 | 792,670 | Complete and occupied |

Profiled spend for q4 and actual spend on all projects.

| Project | Profiled spend 19/20 | Spend to end of Q3 | remaining to be spent in 19/20 | % left to spend in 19/20 |
|---|----------------------|--------------------|--------------------------------|--------------------------|
| Sydney Road Bridge | 585,154 | 585,154 | - | 0.0 |
| GM & Cheshire Life Science Investment Programme | 1,369,017 | 1,369,011 | 6 | 0.0 |
| Warrington Waterfront (Centre Park Link) | - | - | - | 0.0 |
| Ellesmere Port Central Development Zone | 3,000,000 | 1,351,761 | 1,648,239 | 54.9 |
| Poynton Relief Road | - | - | - | 0.0 |
| Crewe High Speed-ready Heart Town Centre Regeneration Programme | 2,360,000 | 1,969,300 | 390,700 | 16.6 |
| Crewe High Growth City – Congleton Link Road | 5,000,000 | 5,000,000 | - | 0.0 |
| Unlocking Winsford Industrial expansion Ltd | 2,000,000 | 1,007,756 | 992,244 | 49.6 |
| Tarvin Road | 1,199,223 | 461,580 | 737,643 | 61.5 |
| Warrington East Highways Improvements | 3,369,868 | 3,369,868 | - | 0.0 |
| Warrington West Programme | 4,320,000 | 4,320,000 | - | 0.0 |
| Skills | | | | |
| Macclesfield Stem Centre (Astra Zeneca) | 200,420 | 72,864 | 127,556 | 63.6 |
| Reaseheath College - automatic dairy | 45,000 | - | 45,000 | 100.0 |
| Livewire Warrington | 19,992 | - | 19,992 | 100.0 |
| Warrington and Vale Royal college - com | 39,100 | - | 39,100 | 100.0 |
| Youthfed - C&W Security Operations Cen | 17,398 | - | 17,398 | 100.0 |
| UTC Warrington | 13,000 | - | 13,000 | 100.0 |
| CCSW - Additive manufacturing and VR/A | 18,235 | - | 18,235 | 100.0 |
| CCSW - Digital and Advanced Engineering | 124,702 | - | 124,702 | 100.0 |
| Macclesfield College - Chef's Whites Aca | 10,573 | 10,573 | 0 | 0.0 |
| Reaseheath College - Controlled Env. Foc | 20,000 | - | 20,000 | 100.0 |
| UOC- High Performance Private Cloud | 400,000 | - | 400,000 | 100.0 |
| Carpe Diem - IOTA | 142,560 | - | 142,560 | 100.0 |
| AMET Centres - Warrington Campus and | 0 | - | 0 | 100.0 |
| Macclesfield College - Specialist digital a | 321,615 | - | 321,615 | 100.0 |
| Blue Beck - gaming support and develop | 0 | - | 0 | 100.0 |
| Skills funding not yet allocated | 0 | - | 0 | 100.0 |
| Sub total | 1,372,595 | 83,437 | 1,289,158 | 93.9 |
| Energy Innovation | | | | |
| C&W Business Energy & Efficiency Programme | - | - | - | 0.0 |
| Storengy - Project Vanguard | - | - | - | 0.0 |
| EA Technology - Netzero Cheshire | - | - | - | 0.0 |
| Waste2tricity - Protos Hydrogen production facility | - | - | - | 0.0 |
| SP energy networks/Ea Tech - Delivering network visibility in Cheshire's Energy Innovation district | - | - | - | 0.0 |
| Crewe Town Centre Heat Network | - | - | - | 0.0 |
| Unallocated Energy Fund monies | - | - | - | 0.0 |
| Sub-total | - | - | - | 0.0 |
| Joint Cheshire and Warrington Sustainable Travel Access Fund | | | | |
| Chester Road (WBC) | - | - | - | 0.0 |
| TPT Upgrade (WBC) | - | - | - | 0.0 |
| Wilmslow Strategic Cycle and Walking r | - | - | - | 0.0 |
| Northwest Crewe Cycling and Walking l | - | - | - | 0.0 |
| A5117 Cycle Route, Ellesmere Port (CW | 100,000 | - | 100,000 | 100.0 |
| Station View and Canal Towpath (CWAQ | 200,000 | - | 200,000 | 100.0 |
| Sutton Way Boulevard, Ellesmere Port (| 487,000 | 3,291 | 483,709 | 99.3 |
| Management Charge (1%) | 107,233 | - | 107,233 | 100.0 |
| Total Spend | 25,470,090 | 19,521,157 | 5,948,933 | 23.4 |