



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

Wednesday 26th February 1.30-3.30

Wyvern House

Attending: Chris Hindley (Chair)
Ged Barlow, Stewart Brown, Lisa Harris,
Paul Goodwin, Alex Thompson,
Peter Skates, Rachel Laver

Apologies: Ian Brooks, Nichola Newton

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 22 nd January 2020	Chair	5 mins
	(ii) Actions Arising	Chair	5 mins
4	Delivery Plan update	Andy Hulme	10 mins
5	Skills Projects	Pat Jackson	15 mins
6	Sustainable transport schemes WBC Schemes CWAC Schemes	John Nichol Kristy Littler	20 mins
7	Blocks 22-24 Alderley Park (EZ investment) Aviator Phase 2	RL	10 mins
8	Delivery Plan review	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:			
18 th March 2020	Assurance Framework Delivery Plan – Infrastructure ESIF update P&I TORs		
15 th April 2020	Q4 report Delivery Plan Overall Performance Delivery Plan - EZ		
20 th May 2020	Omega Local Highways Scheme Phase 1 Final Approval		
17 th June 2020			

	15 th July 2020	
	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 22nd January 2020 at 1.30**

In attendance: Chris Hindley (Chairman), Ged Barlow, Nichola Newton,
Paul Goodwin, Ian Brooks, Rachel Laver,

Apologies: Lisa Harris, Peter Skates, Stewart Brown, Alex Thompson,

Presentations on Crewe Heat Network Accelerate by Dan Griffiths and Rachel Waggett
by Charlie Seward and Pat Jackson

Item No.	Item	To be Actioned by	By When
1.	Welcome, Introductions and Apologies Apologies from PS, SB and AT.		
2	Conflicts of Interest CH asked for any conflicts to be declared. PG attending in S151 capacity rather than to represent CEC but mentioned conflict on Crewe Heat Network. NN and CH declared an interest in the Skills Fund.		
3	Minutes from the last meeting: Ran through the actions: RB requested CWAC rep. Will follow up again. Raised issue with receipt of claims and monitoring reports with Charlie Seward. TORs postponed to Feb due to busy agenda. Need to be updated to reflect paper approved by board regarding roles of committees. BCR provided on all Energy Schemes Offer letters still to be written	RB RB RB	Jan Feb Feb
4	Accelerate Update £30m project. £14.8m from DWP, matched with private sector. UOC is the accountable body. LEP will do some of the delivery as sub-contractors to UOC. LEP not directly involved in the contract. Project started 1st of December but the expectation was that it would start at the 1st of April so already quite behind. Will remain a 3-year project but with the delayed start. Carried out survey with employers, 68 responses which helped shape the project. 19,000 learners are expected to be engaged.		

	<p>Currently going through a procurement process to appoint training delivery bodies to a framework.</p> <p>Appointed companies will work with businesses and 3 full time staff will be employed within the growth hub to promote accelerate. Currently running a trial with Bentley. PIV visit in February from the ERDF auditors.</p> <p>Project currently two quarters behind.</p> <p>Employers will pay their contribution first and then the grant funding can be drawn down.</p>		
5	<p>Crewe Heat Network</p> <p>Dan Griffiths on Rachel Waggett gave a presentation. Heat network will take pressure off electricity network which includes the pressure that would put on the electricity network by more electric cars and on the switch from gas boiler.</p> <p>The scheme would enable geothermal to be explored. In Crewe heat is 4 to 5 km down but would cost £4 to £5m to explore.</p> <p>State aid may mean a commercial model is not viable and that will have to be a council led scheme. CEC to confirm.</p> <p>GB asked if the boilers were specified to run on hydrogen. DG confirmed that they will be, to future proof the scheme and space will be made available for a hydrogen fuel cell.</p> <p>Committee agreed to approve the scheme subject to HNIP funding being secured by the end of March or CEC agreeing to underwrite the costs of the scheme.</p> <p>A condition of the grant is also that the boiler must be a dual fuel boiler with the capability to run on hydrogen.</p> <p>RB to issue offer letter</p>	DG	Feb
		RB	Feb
6	<p>Skills bids</p> <p>RB run through each of the 5 projects seeking ratification having been approved by the Employer Skills and Education board.</p> <p>Macclesfield College</p> <p>Macclesfield college bid improved following revision of the costs which reduces the LGF request by £340,000.</p> <p>Important that the college has external booking system and at the facilities are truly available for use by the college and external bodies.</p> <p>Committee agreed the approval of the scheme.</p> <p>Reaseheath college- Controlled Environment Food Production Centre</p> <p>Will the technology proposed isn't unique and there were other schemes operating in the country the project will offer a lot of data for analysis</p>		

	<p>which students can learn from. The scheme will also enable local farmers to look at variables to improve their productivity. The college has an excellent record for delivery having delivered four LGF funded schemes to date. Good BCR. RB confirmed total costs of the scheme were £450k</p> <p>Committee agreed the approval of the project.</p> <p>Warrington and Royal Vale college - AMET centres</p> <p>NN left the room while this project was discussed. all agreed the good strategic fit of this project really good to see that consultation with businesses had been carried out.</p> <p>Committee approved the approval of this project</p> <p>University of Chester- High Performance Cloud</p> <p>There was lengthy discussion about this project. Particularly how well it fitted with the skills agenda and whether the project would be used by the private sector and whether it was in fact distorting the market by providing services either under market value or free.</p> <p>Committee agreed to defer the project requesting further justification of the specification of the 3D printer, clarification of all the costs, clarification that is not distorting the market including state-aid advice and an income and expenditure forecast for 5 years.</p> <p>Carpe Diem - IOTA</p> <p>lengthy discussion about this project unsure about whether colleges and schools from elsewhere in Cheshire and Warrington would travel to Warrington to use these facilities. Concern about the outputs suggested and how realistic they are and that the assumptions used in the business case have not been evidenced sufficiently. This might be achieved by evidence of market testing /consultation.</p> <p>BCR not yet available (but has been requested from economist). RB to provide.</p> <p>Project has been deferred with the request that the business case is strengthened.</p>		
7	<p>Delivery plan review</p> <p>RB ran through the delivery plan monitoring report.</p> <p>The update from the Growth Hub is that they have now been 505 enquiries out of a revised target of 800. 165 businesses have received medium intensity support and 7 have received high intensity support.</p> <p>The team is going to be further bolstered with staff to provide more intensive support. The website is going to be improved to provide better</p>		

	<p>sign posting to other services and therefore provide passive low-level support to businesses.</p> <p>The focus on next year's delivery plan will be on medium to intensive to support and the growth hub team are currently working on developing the figures.</p>		
8	<p>Q3 report</p> <p>The Q3 report will have to be circulated by correspondence as not all the project data had yet been received.</p>	RB	Feb 20
9	<p>Programme manager update</p> <p>RB ran through the report by exception. concern about the Winsford industrial estate project and the ability to spend over £900,000 this quarter Ellesmere Port One Public Estate I started late due to a delay with the traffic orders again putting pressure on spend for this quarter. Warrington West station opened in December and is operating well which is great news.</p> <p>The committee was asked to approve an additional 95 K 2 blue orchid as this would buy additional outputs rather than displace funding already secured. This would leave £986 available in the Energy fund. RB Requested that this money was put towards a video promoting the Energy fund projects.</p> <p>The committee approved both recommendations.</p> <p>Continuing issue with claims and monitoring reports being submitted on time. Officers to raise within their local authorities.</p> <p>Concern that so many skills projects are already behind the profile that they put forward. LEP officers to work with the project leads to ensure spend this quarter. Great progress has already been made with the AstraZeneca project which shows what can be achieved in a short space of time.</p> <p>Biggest risk in the LGF program now is achieving £25m of spend by the end of the quarter. Spend is currently £19.5 m for the year to date.</p> <p>CWAC Are responsible for 70% other forecast spend to the end of March. This has been raised at the directors meeting.</p> <p>Options for achieving spend will be considered more fully at the February meeting.</p>	PG/PS/ CH/SB	Feb
9	<p>AOB - Agree to look at moving some meetings back to allow time for claim information to be received so that information can be accurately reported at P&I meetings</p>	RB	Feb

Paper for: The Performance and Investments Committee

Title: Growth Fund Skills Investments – Carpe Diem and Blue Beck Projects

Date: 14th February 2020

1. Introduction

The purpose of this paper is to seek ratification for Growth Fund Skills Investment applications from Carpe Diem (IOTA) which the Performance and Investments Committee reviewed on 22 January 2020 and Blue Beck (Games_Hubb) an investment that was approved at the Employers' Skills and Education Board on 15 January 2020. The value of these Local Growth Fund investments are:

Carpe Diem (IOTA) - £142,560.34

Blue Beck (Games_Hubb) - £108,901.37

These investments added to the 12 investments already approved give a total investment of £4,614,872.56. There now remains one further bid which is still being developed.

2. Carpe Diem - Innovation Open To All (IOTA)

The Performance and Investments Committee reviewed this investment on 22 January 2020 and raised concerns about how the outputs had been calculated, whether the project would be able to deliver learners across Cheshire and Warrington rather than just Warrington, the charging model and forecasts for income and expenditure.

This paper provides responses to these concerns and, in addition, responds to the following proposed conditions under which the Performance and Investment Committee have suggested that the investment should proceed:

- 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. The value of the project is under de minimis, but there is a 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.

2.1 Response to Concerns Raised by Performance and Investment Committee

2.1.1 Calculation of outputs

The Performance and Investment Committee were particularly concerned about how the project outputs for number of learners had been calculated.

The foundation for the calculation has been based on existing experience of CreativeHUT workshops delivered in 2019, for the education sector. This equated to training 400 teachers from 70 Cheshire and Warrington schools and 1,560 students from Cheshire and Warrington. The training was through workshop delivery over the last 12 months.

An example of delivering outputs is the MakerFest event hosted at Parr Hall, Warrington. Over 700 children attended to participate in 7 different workshops. The project will build on this work and offer further opportunities for students such as:

- Broader offering of STEM resources to for children / teachers and parents to access due to the kit being purchased
- Extended hours of work that will enable after school and evening programmes
- Weekend activities
- Support from leading brands (e.g. LEGO) by hosting exclusive events to Warrington & Cheshire

2.1.2 Rationale for working with learners across Cheshire and Warrington

The Performance and Investment Committee noted that the business case discussed attracting learners from across Cheshire and Warrington. Evidence was requested to demonstrate previous visits from learners across region, along with evidence of any consultation that has informed the project planning.

Evidence indicates that schools will travel up to 100 miles to access curriculum-based learning centres and therefore we feel confident that schools across Cheshire and Warrington will participate. For example, Carpe Diem have provided workshop training to Little Leigh Primary school who travelled to Warrington from Northwich.

In the UK, there are examples of similar centres that attract attendance from a wide geography. For example, the STEMLab at Westheath School attracts visits from Primary Schools on a weekly basis some with up to a 90-minute commute.

In addition to this, CreativeHUT have partnerships with Multi Academy Trusts (including TCAT and the Inspiring Learners Multi Academy Trust, based in Cheshire). These schools will be targeted as part of the project.

The concept of the project has been tested with some of the schools from these Trusts and feedback was very positive. They commented that this type of learning environment would offer a unique learning experience for their students, especially in a time where school budgets do not allow to invest in such places for their own school. Carpe Diem's partnering brands (for example Lego) have also agree to offer unique flagship events, product launches and exclusive workshops that will be promoted across Cheshire and Warrington.

2.1.3 Charging Model and Forecasts

The Performance and Investment Committee requested more detail on how the project had been costed, the charging model and forecasts.

Details of the session charging model, project income, expenditure and fitout costs has been provided as Annex A.

2.2 Responses to the Proposed Conditions under which the Performance and Investment Committee have suggested that the investment should proceed

2.2.1 Confirmation of whether Carpe Diem can recover VAT. If they can the grant offer should be reduced accordingly (by £23,760).

Carpe Diem can recover VAT, the budget provided is excluding VAT and therefore no deduction to the grant offer is necessary.

2.2.2 Confirmation that the project is state-aid compliant. The value of the project is under deminimus, but there was a need to confirm Carpe Diem haven't received any other state aid in the last three years.

Carpe Diem have received other state aid in the last 3 years, of approximately €30,000 and therefore will remain under the maximum limit of €200,000.

2.2.3 Clarification of the outputs to be achieved with the basis for calculation provided and backed up by evidence of stakeholder engagement.

Carpe Diem's calculations are based upon previous experience with stakeholders and engagement with schools and partners both nationally and within Cheshire and Warrington.

Over the last 12 months Carpe Diem have engaged with 1,500 schools nationally including 70 schools, and 400 teachers across Cheshire and Warrington, many of whom go on to train other teachers and pupils. In addition, Carpe Diem have worked directly with 1,560 pupils from schools in Cheshire and Warrington.

Having a dedicated STEM facility in Warrington will enable a far greater level of engagement with educators, pupils, businesses and the general public. This will deliver a far higher level of outputs, and present Cheshire and Warrington as a beacon of excellence for STEM learning. Examples of national and Cheshire and Warrington Events are as follows:

Cheshire and Warrington Events

- **Warrington LEGO Space Challenge:** 30 (workshop) (CHESHIRE)
- **Culcheth High School STEM Day:** 30 (workshop) (CHESHIRE)
- **Museum of the Moon:** 800 (workshops) (CHESHIRE)
- **Warrington MakerFest Event at Parr Hall** 700 (workshops) (WARRINGTON)

National Events

- **Big Bang:** 500 (demos) (LIVERPOOL)
- **New Scientist Live:** 300 (demos) (LONDON)
- **Tech Will Save us: Teen Tech:** 300 (workshop) (MANCHESTER)
- **First LEGO League:** 700 (training + competition) (SUNDERLAND)
- **Wantage Museum Expo:** 40 (workshop) (WANTAGE)
- **Wrexham County Council STEM Day:** 150 (workshops) (WREXHAM)
- **Sensor City All about STEM:** 200 (workshops) (LIVERPOOL)

2.2.4 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 investment has been reviewed by EKOS and the BCR was calculated at 1: 32 based on stated jobs and the LEP investment only.

2.2.5 The LEP's IT consultant should review the proposed kit list for appropriateness.

Members of the Employers' Education and Skills Board and Cheshire and Warrington's Digital Skills Partnership have confidence that the equipment selected by Carpe Diem will be very relevant and up to date. The LEP's IT consultant has not been consulted.

The equipment will enable the project to achieve the following 3 main goals:

- Provide lifelong learning experiences in STEM (science, technology, engineering, and mathematics) to a minimum of 2,750 students per year
- Attract 260 local business per year to use the facilities and resources
- Build the STEM pipeline from Warrington by supporting progress of students who want to develop a career with-in STEM

Coding, artificial intelligence, augmented reality, virtual reality, robotics, advanced engineering and prototyping kit will be purchased alongside the necessary programming software, computing hardware and audio visual resources to deliver exceptional STEM training programmes. The equipment recommended has been carefully selected to cover the complete training lifecycle, supporting continuous learning programmes, from students in schools to upskilling and reskilling the workforce; catering for up to 20 students per session (per training room). The IOTA project will be able to provide world class STEM training for the local and regional economy; bringing together students, teachers, job seekers, the existing workforce and businesses to deliver an unrivalled programme of STEM education, open to all, with clear pathways to thousands of exciting jobs and careers.

2.2.6 Confirmation that provision has been made for all the kit to be portable and insurance provided.

All kit is portable and will be insured on-site and off-site when used by project staff. However, we have built in no provision for insurance during transportation, and all equipment will require trained instructors to facilitate the use.

2.2.7 Confirmation that budget is confirmed to cover evening and weekend operation.

Carpe Diem have confirmed that budget includes evening and weekend operation.

2.2.8 Confirmation that 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.

Carpe Diem have agreed to this condition.

2.2.9 Provision of a project management plan by the end of February.

Clarity was required in relation to the format required for the project management plan. An example has been provided by the LEP and Carpe Diem will produce a project for the end of February.

3. Blue Beck – 'Games_Hubb'

3.1 Overview of Investment

The 'Games_Hubb' will provide equipment and resources to enable independent (indie) gamers to publish their work on international platforms, including but not limited to Playstation, Xbox, Nintendo and upcoming virtual reality and augmented reality platforms such as Oculus. The equipment and facilities will also be used for eSports events, student experience days, work experience and placements for schools and colleges in the region to learn more about the industry and technology.

The resources will include physical hardware, connectivity and access to industry expertise and support within a relevant environment.

Resources are largely mobile and can be taken out to school and library events.

Blue Beck have the essential industry expertise to help indie gamers monetise their craft and new potential gaming enthusiasts find their place in the industry. This will be facilitated through experience days, workshops and events.

3.2 Approval Process with the Employers' Skills and Education Board

The BlueBeck investment was first considered by Employers' Skills Board on 16 October 2019 where a number of concerns were raised. The investment proposal was originally submitted by the Digital Hive in Macclesfield. The Employers' Skills Board Members supported the idea of the project but expressed concern about the fact that the Digital Hive had been operating for a very short period of time. In the subsequent discussion with the applicant and their sponsor (Blue Beck), it was been agreed that Blue Beck will be the accountable body and applicant for the Local Growth Fund investment.

There have also been a number of other changes to the bid in response to concerns raised by Employers' Skills and Education Board Members:

- A revised equipment list needed to deliver the project has been submitted.
- A clearer project description has been provided that includes the use of the hub by schools and colleges for experience days, to learn about the new technologies and use of the hub to provide work experience opportunities, the description is included in table 2 of the attached Annex.
- A commitment to engage with 26 schools and colleges in the first 2 years and a further 50 in years 3 – 5.
- A commitment to engage with 176 indie developers
- Confirmation of use of the equipment at careers fairs and exhibitions.
- Confirmation of collaboration with Priestley College in the curriculum design of their T-levels.
- An increase in the number of businesses being supported from 50 to 74.
- The promotion of eSports and links with the British eSports Association with links to schools and youth groups.
- A commitment to facilitate ease of access to the equipment by as many people as possible.

Blue Beck have also confirmed the following:

- All capital spend will be completed by March 2021
- Outcomes and matched funding have been revised to span 5 years
- A commitment to work with the Pledge and / or Accelerate Programmes

All these changes were approved by the Employers' Skills and Education Board on 15 January 2020. The revised bid (**Annex B**), business case (**Annex C**) are attached. The finance and output tables are shown in section 3.3 below.

The business case and outputs have been sent to EKOS in order to provide the BCR for the project and we expect these to be available for the Performance and Investments Committee on 26 January 2020 and we expect the BCR to meet the minimum requirements.

3.3 Finance Tables and Outputs

	2019/20	2020/21	Future	Total
Equipment - Hardware	96,669.55	7,500		104,169.55
Equipment - Furniture	3,312.32			3,312.32
Software (one-off purchase)	1,419.50			1,419.50
Total capital expenditure	101,401.37	7,500		108,901.37
Software (subscription)		133	532.80	666.00
Dedicated Leased line	79.20	950	3,722	4,752.00
Irrecoverable VAT (if applicable)				
Match staff and marketing	9,800.00	63,200.00	115,000.00	188,000.00
Total matched expenditure	9,879.20	64,283.60	119,255.20	193,418.00
Cumulative expenditure	111,280.57	183,064.17	302,319.37	302,319.37

Source	Amount (£)
LGF	108,901
Public Sector	
Private Sector Match	193,418.00
Total	302,319.37

A breakdown of the private sector matched funded is provided in **Annex D**

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE) to run the service	0	1	2	3
Businesses Supported/ benefitting	2	12	60	74
Number of learners (students / work placements) benefitting	30	300	900	1230
Learners benefitting leading to a qualification	0	TBD	TBD	0
Number of schools and colleges engaged	2	24	50	76
Other – please state: Indie developers engaged in support to develop their products – this in addition to the businesses listed above	2	24	150	176
New learning space created m ²	36 m ²	90 m ²		126 m ²
Private Sector Match Funding	3,379	64,284	125,755	193,418.20
Public Sector Match Funding				

Paper for: The Performance and Investments Committee

Title: Growth Fund Skills Investment – University of Chester

Date: 10th February 2020

1. Introduction

The purpose of this paper is to seek ratification via correspondence for the Growth Fund Skills Investment application from the University of Chester.

The Performance and Investments Committee reviewed this investment plan on 22 January 2020 and raised concerns about the rationale related to market failure and the costs of some of the equipment.

The Performance and Investment Committee also sought reassurance that the investment was not merely in equipment to provide a service but in equipment that would be used to develop skills in the proficient use of the new technology.

This paper provides responses to these concerns and, in addition, responds to the following proposed conditions under which the Performance and Investment Committee have suggested that the investment should proceed:

- 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 University of Chester.
- University of Chester to operate the project for five years and provide updated output information to reflect 5 years operation.
- University of Chester to underwrite the costs of the scheme and to ringfence any surplus income for further investment in the project.

2. Response to Concerns Raised by Performance and Investment Committee

2.1. Market Failure

The project is seeking to address two key market failures:

- i. Cost barriers, particularly for smaller businesses – Cloud computing and digital technologies are a crucial part of the future for any business and their employees. However, with many products emerging on the market it is not obvious for growing businesses where they can best spend their money. By providing demonstrations of how the equipment can be used, the project helps to highlight the wider and longer-term benefits of engaging with cloud computing and digital technologies in an accessible and affordable way, stimulating future investments to be made with confidence.
- ii. Lack of understanding of the benefits of cloud computing and digital technologies – Linked closely to the above, it is not always clear to businesses and individuals how they can best employ digital technologies, and what digital skills will be most valuable to them. The project will address this, particularly using the mobile facility, which will be used to

demonstrate technologies, cloud computing and help to develop the skills required to operate them.

2.2. Costs of the Equipment

The Performance and Investment Committee were particularly concerned about the apparently high cost of the 3D Printer (£20K) and the 3D scanner (£120K) in the mobile unit.

- The costs for this bid were established by making initial queries with potential suppliers.
- The £120k will be used to purchase two FARO 320 3D scanners, which are scanners that are already being used by the early adopters of this type of technology in a broad range of sectors, particularly engineering, agriculture, conservation, police (crime scene), surveying and construction and which have the capability to scan entire buildings using light detection and ranging (LIDAR) remote sensing laser technology. (<https://en.wikipedia.org/wiki/Lidar>; <https://mep.trimble.co.uk/services/3d-modeling-from-point-cloud>). LIDAR technology also works well with drones, e.g. combining ground and aerial photography and scans to generate models, which can be scaled down and printed.
- The University have chosen these scanners to encourage wider adoption of the technology and to enable businesses and individual learners to gain workplace-ready skills.
- The 3D printers (2 budgeted) are the same standard as the University purchase within their Faculty of Science and Engineering.
- The University has to demonstrate value for money through its financial regulations and its own Procurement Policy using either the North Western Universities Purchasing Consortium Framework Agreements or formal quotes and tendering processes.

2.3. Reassurance that the investment is not merely in equipment to provide a service but in equipment that would be used to develop skills in the proficient use of the new technology

The following provides reassurance the investment is designed to develop skills not merely to offer a service:

- The investment in the equipment will be used to raise awareness, stimulate the market and develop the skills of 12,000 learners – as stated in the application. The mobile facility will be an accessible way to raise awareness of skills opportunities and the importance of digital skills.
- Skills development will be facilitated by the cloud, which can host learning materials to be accessed remotely and provide access to software for educational purposes, which would not otherwise be feasible for learners to access.
- Beneficiaries will include individual learners from schools, colleges and higher education as well as employed people undertaking continuous professional development.
- The range of skills that can be gained is very broad and will help learners to understand how to use and apply digital technologies in their field of study/work for example, working remotely using specialist software and understanding how specific pieces of equipment can support digitalisation of their industry.
- The equipment in the mobile facility supports skills development on users' premises, but also fieldwork, supporting engineering and construction projects. These field skills can then combine by transmitting this data via the van to the cloud and access for 3D computer modelling via cloud VDI and data science (analysis) using the servers to process.
- Longer term, the University is exploring the scope to link with organisations that share online learning content globally, meaning that Cheshire and Warrington learners could access skills resources via the cloud that have been shared by international providers. Current discussions involve an organisation that, for example, provides courses online relating to digital skills, entrepreneurship, progression support for those entering HE and

renewable energy, among many others. Many of these courses are designed to be free, self-guided study. Other discussions involve an organisation that offers OpenStack courses that are conducted like guided labs.

Detailed list to illustrate the range of skills being developed is at Annex A.

3. Responses to the Proposed Conditions under which the Performance and Investment Committee have suggested that the investment should proceed

3.1. Confirmation from the University that the project is state-aid compliant.

The University have consulted a state aid lawyer, who has confirmed that the project can be delivered compliantly with some elements of the project being delivered under an exemption.

3.2. Clarification that the match funding is private as stated and not public, given that it is from the University of Chester

The University is contributing £325k in-kind match to the project in the form of existing IT infrastructure (the new equipment could not be used without this). In addition, the University is estimating c.£350K income generated by 220 businesses paying some contribution towards the cost of the service if they want to use the equipment for some commercial purposes. The University is also providing revenue support for technical support to set up and operate the equipment. This is valued at £750,303 over 5 years (this includes salary costs, other revenue and indirect costs).

3.3. The University of Chester to operate the project for five years and provide updated output information to reflect 5 years operation.

The University has confirmed that the project will operate for five years and in their application profiled the outputs to be delivered over this period. The outputs have subsequently been reprofiled to reflect a later than expected start date. The reprofiled outputs are shown in the following table.

Description	2019/20	2020/21	Future	Total
Businesses Supported/ benefitting		80	140	220
No of learners benefitting		3,000	9,000	12,000
No of secondary schools engaged		3	10	13
No of colleges engaged			4	4

3.4. University of Chester to underwrite the costs of the scheme and to ring-fence any surplus income for further investment in the project

- The University does not need to underwrite the estimated income from the private sector as the project will proceed without income from business. However the estimated income from business will be reinvested in the project to provide sustainability by enabling replacement and upgrading of the equipment. The University commits to the project as described further above from its existing resources, which are already in place.

ANNEX A

SPECIFIC SKILLS THE PROJECT WILL BE DEVELOPING

In addition to the information provided in paragraph 2.3 of the main paper. The following illustrates the types of skills to be developed):

- Cloud Computing, Computer Aided Design, 3D – Scanning, Visualization, Manufacture/Print, High Performance Computing, Data Science, Cyber Security, Video Conferencing and Online Collaboration, General ICT
- Those who use the cloud (any of its services) will gain digital skills, including remote working, modelling projects digitally before undertaking them in reality, and specific software skills.
- The University will share via the cloud its own learning materials with learners from across Cheshire and Warrington, for example its GDPR training materials.
- Those who use the mobile facility will gain skills relating to the use of the specific pieces of equipment (digital and practical skills) and, crucially, how they can be used to effect in industry.
- Beyond the above, the skills gained by learners can be shaped and determined by the learners, skills providers and employers, through the software and learning resources they choose to share via the cloud.



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

Title: Sustainable Transport Schemes

Agenda item: 6

Prepared by Rachel Laver

Date of Meeting: 26th February 2020

1. Purpose of the report

To seek approval from the committee to give final approval to the following sustainable transport schemes:

- Trans Pennine Trail upgrade
- Chester Road Cycleway
- Chester to Ellesmere Port Canal Towpath
- A5517

2. Executive Summary

A call process was run in 2017 to allocate the sustainable access travel money to the three local authorities. Seven projects were given indicative approval and were invited to submit business cases. So far four schemes have been approved, this paper covers the remaining four.

3. Recommendations /Actions / Decisions required:

The committee is asked to:

- Note the contents of the Business Cases and Independent Assurance reviews;
- Authorise the LEP executive to issue a final offer letters for all four schemes for subject to:
 - Confirmation of the costs of the scheme following a tender process
 - Update of the BCR following confirmation of costs
 - Submission of a project management plan
- Note and approve the recommendations for approval with regard to the CWAC schemes delivery plans.

The detail of each project is provided below.

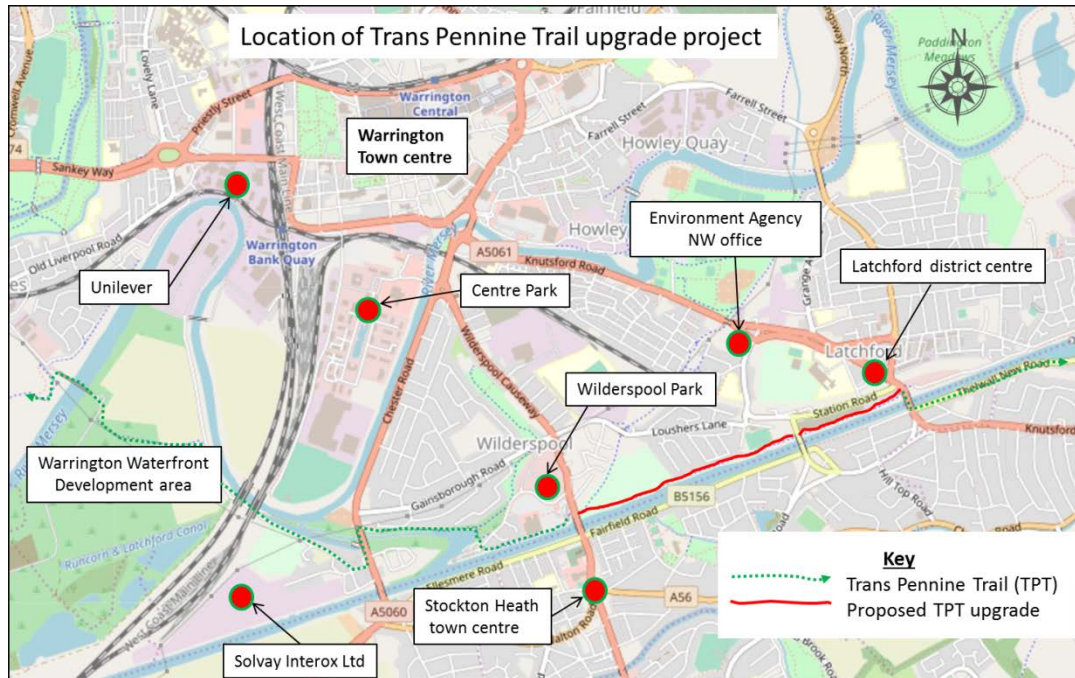
4. Trans Pennine Trail (TPT) upgrade

This scheme will see the upgrade of the Trans Pennine Trail (TPT) within Warrington between Knutsford Road (A50) and Wilderspool Causeway (A49). This is one of three sustainable transport schemes proposed to be funded through the LGF programme in Warrington.

The present path is of poor quality, suffers from drainage issues, and is less than 1m wide in places which makes it less attractive for use by pedestrians, cyclists and mobility scooters. The project will widen the path to 3m, clearing back encroaching vegetation to create a wide verge. This will improve visibility and personal security and will provide suitable crossing points at the main roads.

The project would provide walking and cycling access to several local employment areas which currently employ over 4500 people and is expected to increase further.

The project has a good strategic fit, in providing sustainable access but this project in particular forms part of a much longer route which is used for Leisure as well. The TPT route is 96 miles long in total and extends from Southport to Barnsley.



4.1. Scheme Objectives

The primary objectives of the scheme are as follows:

- To improve the health of residents by allowing them to travel in a more active manner
- To improve the safety and personal security of residents
- To improve the quality of life for residents by creating a more pleasant travelling environment
- To provide economic opportunities for residents
- To benefit the wider environment by reducing carbon emissions, traffic pollutants and traffic noise as a result of more people walking and cycling.

4.2. Key Milestones

KEY MILESTONES	START	FINISH
Tender Period	Jan 20	Feb 20
Contract Award		Apr 20
Construction Period	Jun 20	Sept 20

4.3. Outputs

The outputs expected to be delivered from the scheme are detailed in the table below.

Outputs	
New cycleway	1690 m
Public sector leverage	£200k

The outputs that form the basis of the BCR calculation are around decongestion, reduction in accidents and environmental benefits etc. The BCR hasn't been updated since the initial application in Jan 18 however sensitivity analysis was carried out which shows a **BCR** of between **3.76 - 4.89**, showing excellent value for money. A GVA figure of £465k per annum has been stated in the business case but may be difficult to evidence and has therefore been discounted.

4.4. Risks and Issues

A risk assessment has been carried out and included with the business case. There are not likely to be significant risks, the scheme is off road, low cost, doesn't need planning permission and WBC have a good track of delivery. The land is owned by PEEL but they have been consulted and are supportive of the scheme.

4.5. Financial Summary

The current estimated cost for the scheme is £750k

Project Funding:

	Total (£000)	%
LGF3 Grant	550	73
Council Borrowing	200	27
Total project cost	750	100

4.6. Independent Appraisal

An independent appraisal and given the business case an overall score "substantially met"

The appraisal is summarised below.

Case	Status	Appraiser comments
Strategic Case	1	The strategic case provides a strong case for investment which is supported by evidence and is well aligned with policy objectives and supported by stakeholders. The scheme outcomes are clearly defined within a logic map which can be referenced in the supporting documents. Minor issues exist with details relating to public consultation as text may need updating to reflect what has occurred or revised timescales. A range of dependencies have been provided, and the document states that no interdependencies have been identified for this scheme.
Economic Case	2	The scheme has a BCR of 4.89 which is high value for money. The economic case would benefit on containing more evidence for the source of the increase in cyclists due to the scheme and justification and sensitivity testing around the use of a 30 year appraisal period. A number of scheme impacts have not been assessed with no justification but the application form does not specify a requirement for these.
Financial Case	2	All main elements are covered including detail of the funding profile and scheme cost breakdown by key component. The updated document now provides some detail of the long term financial sustainability of the scheme and it is acknowledged that WBC will be responsible for any ongoing

		maintenance and operation costs. However additional details should be provided in the Financial Case of an FBC.
Commercial Case	1	All main elements are covered. The procurement strategy, payment mechanisms and contract management and timescales are clearly set out in the application form. Timescales for procurement may need to be revisited and updated within the application form if not already underway.
Management Case	1	The management case clearly sets out how the project will be delivered and outlines Warrington Borough Council's capability to successfully deliver the scheme. Stakeholder consultation has already been undertaken to shape the scheme and plans are also outlined to demonstrate how scheme monitoring data will be collected to help justify the proposed investment.

4.7. Conclusion

This is a great scheme which should be relatively simple to deliver and is expected to take only four months to deliver. The business case is proportionate and covers all areas expected. Warrington Borough Council have an excellent track record of delivery and have confirmed that they will underwrite the costs of the scheme. The only potential issue is that the development of the scheme has been delayed as bigger schemes have taken priority, there is the potential that the delivery of the scheme will also be delayed. WBC should have said the project will start on site in June. If the start is delayed beyond June it is recommended that the offer should be rescinded so that the funding can be reallocated.

5. Chester Road Cycleway

The proposed scheme runs between the Trans Pennine Trail near Taylor Street and Bridge Street in Warrington Town Centre. The route includes Chester Road (A5060), Wilderspool Causeway (A49), and Knutsford Road (A5061).

5.1. Scheme Objectives

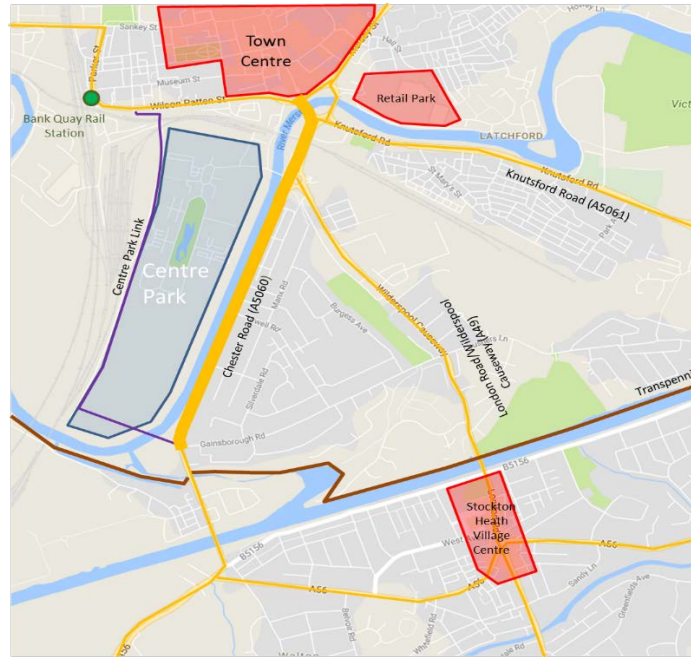
The Primary objective of the scheme is:

- Provision of a safe and direct route for pedestrians and cyclists between south Warrington and the job and retail opportunities in the Town Centre and at local employment parks.

The wider strategic objectives are as follows:

- To improve the health of residents by allowing them to travel in a more sustainable manner
- To improve the safety and personal security of residents
- To improve the quality of life for residents by creating a more pleasant travelling environment
- To provide economic opportunities for residents
- To benefit the wider environment by reducing carbon emissions, traffic pollutants and traffic noise as a result of more people walking and cycling alongside Chester Road.

Map showing route:



The strategic case for the project is strong and it fits with both local and national policies.

5.2. Key Milestones

KEY MILESTONES	START	FINISH
Tender Period	Mar 20	Mar 20
Contract Award		Apr 20
Construction Period	Jun 20	Oct 20

6. Outputs

The proposed outputs are:

Outputs	
New cycleway	1390m
Public sector Leverage (£)	300k

The business case does mention 100 jobs being created and £556k of GVA per annum. It would be very hard to evidence these outputs so it's not recommended they are contracted but rather the council endeavours to capture any indirect benefits of the project and reports them.

The BCR has been calculated in much the same was as TPT above and been given a figure of 3.11 which represents high value for money.

6.1. Risks and Issues

An assessment of risks has been carried out and provided. The scheme is along a main road, but all the land required is in the council's ownership. They have carried out local consultation and have already completed vegetation clearance along the route. The council will underwrite the costs of the scheme. As with TPT there is a risk to delay if the council don't commit to meeting their own timetable

for delivery and therefore it is recommended that the offer should be withdrawn if the scheme hasn't started on site by the end of June.

6.2. Financial Summary

The current estimated cost for the scheme and how it will be funded is detailed below:

	(£)
LGF3 Grant	600,000
Public sector	300,000
Total project funding	900,000

6.3. Independent Appraisal

An independent appraisal and given the business case an overall rating of “substantially met”. A summary of the key comments is below:

Case	Status	Comments
Strategic Case	2	The strategic case provides a strong case for investment which is supported by evidence and is well aligned with policy objectives and supported by stakeholders. The scheme outcomes are clearly defined within a logic map which can be referenced in the supporting documents. Minor issues exist with details relating to public consultation as text may need updating to reflect what has occurred or revised timescales. It is recommended that further evidence is provided to highlight how the options were appraised and preferred option selected.
Economic Case	2	The scheme has a BCR of 3.11 which is high value for money. The economic case would benefit from containing more evidence for the source of the increase in cyclists due to the scheme and justification and sensitivity testing around the use of a 30 year appraisal period. A number of scheme impacts have not been assessed with no justification but the application form does not specify a requirement for these.
Financial Case	2	All main elements are covered including detail of the funding profile and scheme cost breakdown by key component. The updated document now provides some detail of the long term financial sustainability of the scheme and it is acknowledged that WBC will be responsible for any ongoing maintenance and operation costs. However additional details should be provided in the Financial Case of an FBC.
Commercial Case	2	All main elements are covered. The procurement strategy, payment mechanisms and contract management and timescales are clearly set out in the application form. Timescales for procurement may need to be revisited and updated within the application form if not already underway.
Management Case	2	The management case clearly sets out how the project will be delivered and outlines Warrington Borough Council's capability to successfully deliver the scheme. Stakeholder consultation has already been undertaken to shape the scheme and plans are also outlined to demonstrate how

scheme monitoring data will be collected to help justify the proposed investment.

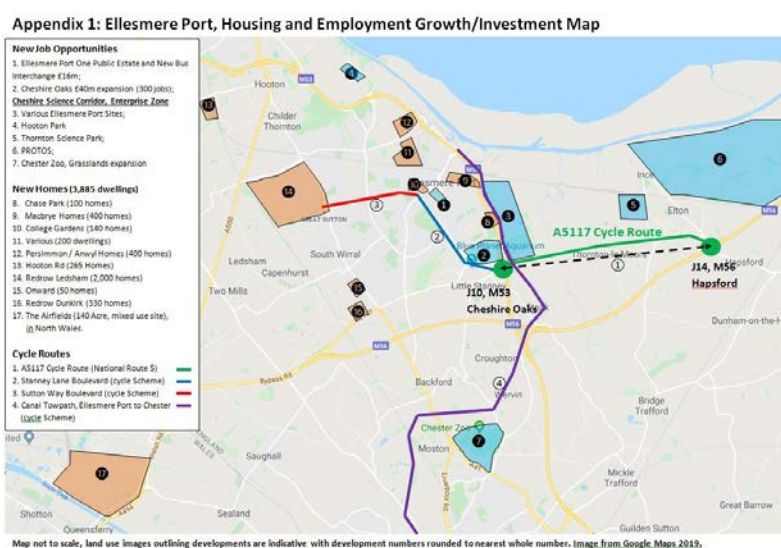
6.4. Conclusion

This is a good scheme, which links clearly with other LGF schemes in the area, most notably Centre Park Link which is in construction at the moment. The council have already carried out clearance along the route which has already made an improvement.

The council has a good track record for delivery and this is a simple scheme with a short construction period. To avoid the scheme slipping due to other schemes taking priority it is recommended that if the construction of the project hasn't started by July, the grant offer should be withdrawn.

7. A5117 Cycle Scheme, Ellesmere Port

Three sustainable transport schemes were provisionally approved for CWAC. This is the second scheme to seek approval. The project is to create a new pedestrian and cycle pathway adjacent to the northern side of the carriageway enhancing the A5117 cycle route (National Cycle Route 5), a 5km cycleway between M53 junction 10 and M56 Junction 14. The project will provide local residents with a safe walking and cycling route to access; education, employment, retail and leisure opportunities in Ellesmere Port Town Centre, Cheshire Oaks and the Cheshire Science Corridor. The employment opportunities in the area include access to; Thornton Science Park, Essar Stanlow, Encirc and the Protos cluster employment.



7.1. Scheme Objectives

The primary objectives of the scheme are:

- Provision of a safe and direct route for pedestrians and cyclists between; Stanney, Wolverham, Whitby Groves, Gowyl, Sandstone and Helsby while connecting to; education, employment and retail opportunities at Ellesmere Port town centre, Cheshire Oaks and the wider Cheshire Science Corridor, Enterprise Zone; and to
- Minimise the risk of collisions between cyclist and motor vehicles on the road, by providing predominantly off-road shared use facility for cyclists with upgraded crossing facilities.

The wider strategic objectives are as follows:

- To improve the health of residents by allowing them to travel in a more sustainable manner, providing a low cost and credible alternative to private car travel;
- To improve the safety and personal security of residents;
- To improve the quality of life for residents by creating a more pleasant travelling environment;
- To provide economic opportunities for residents;
- To benefit the wider environment and support the Climate Emergency by reducing carbon emissions, traffic pollutants and traffic noise as a result of more people walking and cycling

7.2. Key Milestones

KEY MILESTONES	START	FINISH
Detailed design	Mar 20	May 20
Tender Period	June 20	June 20
Contract Award		July 20
Construction Period	Aug 20	Feb 21

8. Outputs

An assessment of the benefits of the scheme has been carried out which gives a BCR of 2.27 which represents high value for money.

Outputs	
New cycleway	5000m
Public sector Leverage (£)	345k

8.1. Risks and Issues

Unlike the WBC schemes the detailed design hasn't been completed on this scheme, also it's not forecast to be completed until end of February 21 so there is a delivery risk. It is recommended that if the scheme doesn't start on site by the end of August, the funding offer should be withdrawn.

8.2. Financial Summary

The current estimated cost for the scheme and how it will be funded is detailed below:

	(£)
LGF3 Grant	699
Public Sector	345
Total project funding	1,044

8.3. Independent Appraisal

An independent appraisal has been completed and given the business case an overall rating of "requirements fully met". A summary of the key comments is below:

Case	Status	Comments
Strategic Case	2	The strategic case provides a strong case for investment which is supported by evidence and is well aligned with policy objectives and supported by stakeholders. The scheme outcomes are clearly defined within a logic map which can be referenced in the supporting documents.

Economic Case	2	A robust economic case has been provided which is deemed proportionate to a scheme of this value. The majority of the application form questions are well answered and a robust appraisal process is clearly demonstrated. Sufficient information required to substantiate the Economic Case has been provided. Only by providing a Appraisal Summary Table (AST), would suffice the "Requirements fully met" criteria. Although an AST was not considered necessary for a project of this value.
Financial Case	2	The Financial case provides a detailed breakdown of the costs and a clear funding profile. Consideration of how maintenance would covered beyond year 1 is also provided within the business case. Evidence of third party funding contributions has been provided although and it is stated that this funding will be sourced from existing secured Council capital programme for 2020/21.
Commercial Case	2	The procurement strategy, payment mechanisms and contract management and timescales are clearly set out in the application form.
Management Case	2	The management case clearly sets out how the project will be delivered and the sufficient capability within Cheshire West and Chester to deliver the scheme. A number of engagement exercises have been already taken place with stakeholders and have helped the develop the scheme and shown strong support for the proposed interventions. A logic map for the scheme is also provided which identifies the link between outcomes and objectives.

8.4. Conclusion

This appears to be a good scheme with a good strategic fit and links to the two other sustainable transport schemes seeking funding from the LGF programme. The only issue appears to be the delivery timescales which shouldn't be an issue if CWAC meets the milestones set out in the business case.

9. Chester to Ellesmere Port Canal Towpath

This project is the Enhancement of 3 towpath sections along the Shropshire Union Canal between Ellesmere Port and Chester (National Cycle Routes 5, 45 and 70), creating widened and improved surfacing. The scheme also provides a new off-road shared used path on Thornton Road, linking the Canal Towpath to Cheshire Oaks retail area via a new pedestrian footbridge.

The scheme provides safe walking and cycling access to education, employment, retail and leisure opportunities at Chester Business Quarter, Countess of Chester Hospital, Cheshire Oaks and the Cheshire Science Corridor Enterprise Zone in Ellesmere Port. The scheme covers a total length of 4.7km.

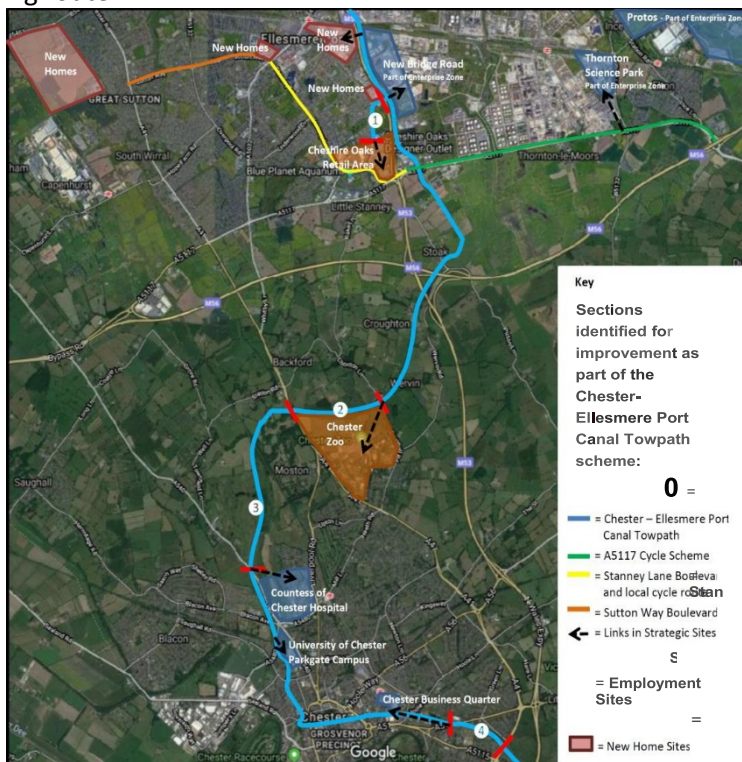
The scheme will cost £1,222,717 to deliver with £459,463 requested from LGF (38%).

9.1. Scheme Objectives

The objectives of the scheme are:

- Provision of a safe and direct route for pedestrians and cyclists between; Grange, Rossmore, Blacon, Ellesmere Port Town centre, Chester City while connecting to education, employment and retail opportunities at Ellesmere Port town centre, Chester City centre, Cheshire Oaks, Chester Business Quarter, Chester Zoo and the wider Cheshire Science Corridor, Enterprise Zone; and to
- Minimise the risk of collisions between cyclist and motor vehicles on the road, by providing high quality off-road shared use facility for cyclists along the Shropshire Union Canal.

Map showing route:



9.2. Key Milestones

An options analysis has been completed and a preferred route selected, however detailed design is still to be undertaken and the project isn't expected to complete until March 21. As long as the LGF is spend first and this timetable is adhered to, it shouldn't present a problem.

KEY MILESTONES	START	FINISH
Detailed Design	Mar 20	May 20
Tender Period	May 20	Jun 20
Contract Award		Aug 20
Construction Period	Sept 20	Mar 21

10. Outputs

The outputs of the project relate to health benefits and decongestion of the local highways. The direct outputs of the project are detailed below.

The council will be putting in automatic counters on the sustainable travel schemes so that accurate information can be collected to measure the use and impacts of the schemes.

Outputs	
New cycleway	4.7km
Private Sector Leverage (£)	195k

Public sector Leverage (£)	568k
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10.1. Risks and Issues

The project has been split into two phases and An assumed Contingency and Risk allowance of 15% has been included for phase 1 which accounts for £1.26m of the total project costs but then appears to have been taken out in the figures showing the total costs of the scheme. However, the council have stated that they will underwrite the costs of the scheme.

The biggest issue is if the scheme doesn't meet the stated timeline, there is a risk that the LGF won't be spent on time and for this reason if the contractor doesn't start on site in August it is recommended that the funding offer is withdrawn.

10.2. Financial Summary

The current estimated cost for the scheme and how it will be funded is detailed below:

	(£k)
LGF3 Grant	460
CWAC	568
S106	195
Total project funding	1,223

10.3. Value for Money

The schemes benefits have been calculated to have a BCR of 2.5 which according to DfT criteria, represents **high Value for Money**.

10.4. Independent Appraisal

An independent appraisal and given the business case an overall rating of "fully met". A summary of the key comments is below:

Case	Status	Comments
Strategic Case	2	The strategic case provides a strong case for investment which is supported by evidence and is well aligned with policy objectives and supported by stakeholders. The scheme outcomes are clearly defined within a logic map which can be referenced in the supporting documents.
Economic Case	2	A robust economic case has been provided which is deemed proportionate to a scheme of this value. The majority of the application form questions are well answered and a robust appraisal process is clearly demonstrated. Sufficient information required to substantiate the Economic Case has been provided.
Financial Case	2	The Financial case provides a detailed breakdown of the costs and a clear funding profile. Evidence of third party funding contributions has been provided. Consideration of how maintenance would covered beyond year 1 is also provided within the business case.

Commercial Case	2	The procurement strategy, payment mechanisms and contract management and timescales are clearly set out in the application form.
Management Case	2	The management case clearly sets out how the project will be delivered and the sufficient capability within Cheshire West and Chester to deliver the scheme. A number of engagement exercises have been already taken place with stakeholders and have helped the develop the scheme and shown strong support for the proposed interventions. A logic map for the scheme is also provided which identifies the link between outcomes and objectives.

10.5. Conclusion

There is a clear link between this scheme and the other two CWAC sustainable transport schemes which is really good to see, giving people a real alternative to motorised transport in the area. It provides access to one of the biggest employment sites in the area. The only concern with the project is the delivery timescales, but as long as CWAC continue to develop the scheme and meet the milestones set out in the business case there shouldn't be an issue.



Cheshire & Warrington Local Enterprise Partnership Performance and Investment Committee

Title: Alderley Park Blocks 22-24

Agenda item: 7

Prepared by: John Adlen

Date of Meeting: 26 February 2020

1. Executive Summary

Alderley Park Limited (APL) has applied for a total of £4m investment in respect of two projects to refurbish Block 22 and the basement of Blocks 23/24 at Alderley Park that will provide a total of 9,011 sqm (c.97,000 sq ft) of refurbished laboratory space. Both of these projects include a contribution towards the development of a new 2,247 space multi-storey car park (MSCP) on the site. The two projects could generate c.£401,500 per annum in retained business rates, generating up to £8.2m in retained business rates over the remaining lifetime of the EZ. On this basis the investment would pay back in 9.9 years. The applicant is seeking grant funding for the two projects on the basis of a gap in the overall financial viability of the schemes, which is exacerbated by abnormal infrastructure costs relating to the MSCP. Whilst these are two separate projects, they are being presented in a single business case for EZ investment due to MSCP element which is common to both projects.

At its September 2019 meeting, the EZ Board instructed the Growth Director to seek further clarifications regarding the MSCP and the financial split between the two projects. The EZ Board subsequently approved the two projects via correspondence subject to the conditions set out in the recommendations below. The LEP Board will be considering the EZ Borrowing Facility at its February meeting.

2. Recommendations /Actions / Decisions required

It is recommended that the investment in the two projects at Alderley Park are approved subject to the following conditions:

- a) No legal agreement is entered into until the LEP has the funds in place via the EZ borrowing facility
- b) Sign off of a State Aid opinion from the applicant's legal advisers.

3. Background

Bruntwood bought Alderley Park from Astra Zeneca in 2014 following Astra Zeneca's decision to relocate their R&D headquarters to Cambridge. Astra Zeneca are vacating the site much slower than originally expected and are still occupying a significant proportion

of high quality floorspace. High levels of demand, compounded by limited space available, means that APL have been forced to bring forward more complex redevelopment schemes. A lot of the site that has been handed back is either physically inaccessible directly from public realm areas or is in a currently un-lettable state due to either the condition or current use of the space, which in turn sees APL moving forward with Block 22 and Blocks 23-24 earlier than expected.

4. Scheme Proposal

Alderley Park Limited (APL) has applied for a total of £4m investment in respect of two projects to refurbish Block 22 and the basement of Blocks 23/24 at Alderley Park that will provide a total of 9,011 sqm (c.97,000 sq ft) of refurbished laboratory space. Both of these projects include a contribution towards the development of a new 2,247 space multi-storey car park (MSCP) on the site.

The two projects to redevelop Block 22 and Blocks 23 & 24, will see the refurbishment of ex-in-vivo space to a modern laboratory facility. The initial scope of the project will see a comprehensive strip out of what is currently a heavily cellurised building. Once this is complete, the intention is to fit out Block 22 to an enhanced shell and core to enable future customers to shape their own labs as they see appropriate. Blocks 23 & 24 would be completed to fully formed labs on a speculative basis.

The projects will provide a mix of small, medium (2,000-5,000 sq ft) units in Blocks 23/24 and larger (10,000 sq ft) biology and chemistry labs and associated write up space in Block 22. Enquiries at Alderley Park range from 100 to 60,000 sq ft and around 40% could be accommodated within the space proposed within these two projects, supporting demand for the projects and the applicant's confidence that the space will let quickly.

The delivery of this project is contingent of the delivery of a new Multi Storey Car Park (MSCP). The relocation of Royal London onto Alderley Park has meant a significant reduction in the number of available car parking spaces on site. The new multi storey car park will deliver 2,247 spaces. Without the car park, it is highly unlikely that the proposed schemes could be delivered successfully. The MSCP is required to facilitate anticipated employee growth at Alderley Park over the next three years. There are currently 2,500 spaces catering for 2,000 staff, but 6,000 employees are anticipated over the next 3-years. Without the new 2,247 space MSCP, the ability to attract and retain businesses and staff at Alderley Park, and continue its successful delivery of new space is severely constrained.

Completing these separate projects would significantly assist in delivery the objectives for the site, which primarily include assisting in the target of 75,000 sq ft of science lettings per annum. Block 22 will specifically deliver labs & write up space of c. 11,000 sq ft, whilst 23 & 24 will deliver small to medium biology labs from 2,000 sq ft to 5,000 sq ft.

5. Timescales

Construction of the two schemes and the MSCP will commence in early 2020, subject to funding approvals and are due to complete in January 2022.

6. Financial Summary

Project Item	Block 22	Blocks 23-24	Total
Costs			
Construction Costs	9,254,798	7,140,223	16,395,021
MSCP Costs	1,200,000	900,000	2,100,000
Developer's Profit	1,529,698	1,012,387	2,542,085
Total Costs	11,984,496	9,052,610	21,037,106
Revenue			
Net Development Value	10,197,990	6,749,249	16,947,239
Surplus/Gap			
Gap	-1,786,507	-2,303,362	-4,089,869

The financial summary of the projects set out above shows a viability gaps across the two projects of £4m. The initial financial appraisal of the schemes showed a 'gap' £5.97m, but this was reduced through negotiation with the applicant. The 'gap' is based on APL's requirement to meet its minimum internal rate of return of 15% (calculated on net development value). Cushman & Wakefield are satisfied with the cost and value assumptions provided by APL, although they note that further design work is required, which may push costs up. The LEP will cap its investment at £4m with any cost overruns being carried by APL.

The table below shows the estimated retained business rates from the two projects and the MSCP by Bruntwood and Cushman & Wakefield, which vary significantly. Following negotiations between the LEP and Bruntwood and discussions with Cushman & Wakefield a revised estimation of retained business rates was agreed, which is shown in the final column.

Project	Bruntwood Estimate of Annual Retained Business Rates (£)	Cushman & Wakefield Annual Estimate of Retained Business Rates (£)	Agreed Estimate of Annual Retained Business Rates (£)
Block 22	270,000	252,000	252,000
Blocks 22-24	75,000	-	-
MSCP	750,000	19,200	149,549
Royal London	200,000	-	-
Total	1,295,000	271,200	401,549

Overall, we have taken Cushman & Wakefield's more conservative estimates of retained business rates, to err on the side of caution. However, we have agreed to include all of the retained business rates arising from the MSCP as the LEP investment will 'enable' the construction of the whole car park. On this basis the EZ investment of £4m would pay back in 9.9 years.

7. Value for Money

Following negotiation, the 'ask' from APL has been reduced to from £6m to £4 million in order to ensure an acceptable payback period to the EZ and provide good value for money to the LEP. APL have confirmed that the remaining funding shortfall will be met from APL resources drawing on either its bank facilities or via additional shareholder equity, which will result in a lower Internal Rate of Return and demonstrates a genuine willingness to deliver the scheme on behalf of the applicant.

Cushman & Wakefield report that the project provides medium to good value for money in terms of cost per job created following the reduction in the 'ask' from £6 to £4m. The project can also demonstrate delivery of wider benefits in the form of local spend, collaboration, skill development and enhanced market profile and confidence.

8. Independent Appraisal

Cushman & Wakefield have undertaken an independent technical appraisal of the proposed investment which notes that:

- a) The projects demonstrate a good strategic fit with the overarching Cheshire Science Corridor Development and Investment Strategy, the site-specific Development Plan for Alderley Park and a number of wider local and national strategies for economic growth.
- b) There is a clear demand for the projects, although market evidence is limited, the applicant has demonstrated that occupiers are currently being turned away or directed to unsuitable space due to the lack of existing supply. A vacancy schedule indicates c.50,000 sq ft of currently available space across Alderley Park is spread across a number of buildings and reported to be of low quality and therefore difficult to let. A schedule of enquires has been provided demonstrating interest from 51 businesses for c.330,000 sq ft of bioscience (laboratory and office) and tech/office space at Alderley Park over the next two years – over 6 times the existing available supply.
- c) The applicant has over-estimated both the job and GVA outputs from both projects, applying higher job densities applicable to general office space to the projects. However, even when Cushman & Wakefield apply lower job densities for laboratories, the projects still represent medium to good value for money in terms of job creation and GVA relative to the EZ ask.
- d) The applicant estimates that the projects would generate c.£1.3m per annum in retained business rates, which would provide a payback of 4.6 years. However, Cushman & Wakefield have tested this and found it to represent a significant overestimation including counting the retained business rates from Royal London. Cushman & Wakefield's estimate, when accounting for the whole of the MSCP is £401,500 per annum, which would increase the payback to 9.9 years (based on full occupancy). This is on the cusp of acceptable payback period for the LEP. Cushman & Wakefield note that this represents a risk to the investment and could limit the opportunity to invest in other 'better value' projects. However, it should be noted that it is difficult at this stage to estimate the likely Rateable Value of the MSCP. Cushman & Wakefield have based their assessment of the MSCP on a comparable from an MSCP in Macclesfield of £135 per space. The applicant has used a range of comparables from Wilmslow, Alderley Edge and Knutsford that range from £300-600 per space.
- e) In terms of delivery, the site is in the freehold ownership of the applicant and is understood to have received planning consent for the proposed scheme and a clear and appropriate delivery strategy is in place. Bruntwood SciTech (the controlling entity of APL) is an established property developer and manager with extensive

experience of refurbishment projects of a similar scale and value proposed, including early and ongoing projects at Alderley Park.

- f) The State Aid legal opinion provided by Addleshaw Goddard (dated 20 May 2019) considers the funding request to be compliant under Article 26 of the GBER (Investment Aid for Local Infrastructure). Aid intensity is within the 50% allowance of eligible costs and a case is made for including the MSCP as critical to 'research infrastructure'. Cushman & Wakefield have raised concerns that the €20m per infrastructure project investment cap would be exceeded (totalling €22.9m) when the refurbishment of the two blocks and MSCP are considered together. However, the applicant is proposing that the two projects are considered separately in State Aid terms and this is reflected in the fact that two separate legal opinion letters are provided for each block to bring investment below this threshold. This approach has been tested with both Addleshaw Goddard and the LEP's legal advisers, DWF, who are broadly satisfied with the approach. A final legal opinion will be provided by Addleshaw Goddard on behalf of the applicant and reviewed by DWF on behalf of the LEP before signing any legal agreements. The LEP also has a clawback clause in its legal agreements for any breach of State Aid.

9. Appendices

- a) EZ Board Paper
- b) Blocks 22-24 Business Case
- c) Cushman & Wakefield Appraisal
- d) EZ Board Clarifications Paper

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. Roll out of investment planned over next few months with small pilot starting in February. Service level agreement signed 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. First report published December 2019. Additional funding (£75K) for 2020/21 confirmed by DfE

<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 held on January 14th</p>
<p>4. Agree priority investments to invest £5m of Skills Capital funding</p>	<p>Q2</p>	<p>↗</p>	<p>Eleven investments approved (total value £3.4M). Further three investments (total value of bids (£1.2M) to be submitted for ratification to February P&I. Meetings of all investments to identify opportunities for collaboration in January and February. All investments 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. Initial report published December 2019 and further funding received from DfE for 2020/21. Work is also underway to develop a marketing programme for all skills investments.</p>

6. Recruit Pledge Facilitators to establish and support 9 local Pledge Partnership Boards	Q4	↗	13 staff now employed. 95% of all secondary schools engaged before the summer break and progress on Gatsby benchmarks means that Cheshire and Warrington has moved from performing below national average to on-line with national average with strong trajectory for improved performance going forward. 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			
1. Specific Outputs to be achieved by end of 2019/20:			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.
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%):		↗	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.
• 450 businesses and individuals supported – low intensity support (circa 1 hour support)	Q4	↗	With the increase in enquiries the gap is closing. Currently 330 now expect to meet target by the end of the Financial Year
• 800 businesses – medium intensity support (Information Diagnostic and Brokerage)		↗	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.

• 100 businesses – high intensity support (Over 12 hours)		↘	
660 Businesses being signposted and referred to a business support programme/s		→	448 referrals YTD for 251 businesses.
330 of the referrals made successfully progressing onto a business support programme/s		→	Subject to ongoing review with partners. Difficult to capture data as the Growth Hub does not directly deliver.
2. Establish the Business Growth Committee to oversee the Growth & Skills Hub	Q1	→	Q2 Complete. Was dependent on Board appointments. Inaugural meeting taken place 5/11/19. Decision to meet monthly.
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			
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 prioritise 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). Further projects to be considered by Strategy Committee prior to the March LEP Board meeting
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. Consultants working on SOBC. Scheduled 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	→	£19.8m spent. Working towards £25m of spend by end of q4.
7. Put in place a £4m investment programme to develop the region's energy infrastructure	Q2	↘	Funding now fully allocated against 6 projects.
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	→	CBRE now appointed as fund manager.
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	→	Developing combined strategic case for Crewe Hub and TIF. Meeting with BEIS, DFT, MCHCLG and Treasury officials 21 Feb.
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 approved by Sep EZ Board. £1m investment in Aviator Phase 2 approved by Janaury EZ Board. In discussions with Birchwood about two investments 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.
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	↘	Finalising due diligence around outstanding legal issues. Aiming to publish OJEU in April 2020.
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 porcess of securing £30m loan facility from the trhee local authorities	Additional	↗	Draft legal agreement agreed between parties. Borrowing facility being considered by the February LEP Board.
Marketing and Comms			

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 is now meeting monthly with key projects underway.
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	↗	External perceptions supplier has been appointed with the inception meeting in planning. Inward Investment Research tender has closed and supplier will be appointed week of 17/2/20. Both will run concurrently and be completed by mid-April.
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	→	Q4 delivery has been planned. 2020/21 plan currently under development.
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	→	Data acquisition underway to support business engagement.
6. Review the LEP Brand and that of its sub-brands (Growth Hub, Science Corridor, Skills/Pledge/IoT)	Q2	↘	On hold until place branding is at a more advanced stage.
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 issued and tender closes 17/2/20
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

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: Programme Manager Update Report

Agenda item: 9

Prepared by Rachel Laver

Date of Report: 26th January 2020

1. Executive Summary

The focus continues to be spending £25m by the end of March and contracting the remaining LGF funding. We have now spent £19.8m and despite significant slippage on several projects look on track to fully spend all LGF funding that the LEP currently holds by the end of March.

We had a good Annual Performance Review meeting with no issues raised by BEIS and some positive feedback. The final ratings will be confirmed in March.

Progress continues to be made with securing a loan from the three local authorities to fund Enterprise Zone investments which in turn will free up GPF for further investment.

A productive inception meeting was held with CBRE on the Evergreen Fund and it was agreed that the fund would be “launched” at MIPIM where the audience will be an ideal match for the fund.

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

Below are updates on projects by exception:

1.1. Life Science Fund

The fund has recently made another investment at Alderley Park, bringing the total number of investments at Alderley Park to 15 out of a total of 28.

We are working with Bruntwood and GMCA to look at raising another fund of approximately £70m which could be established by the end of the year, coinciding with the end of the investment period of the current fund. A paper will be submitted to the Strategy Committee in due course.

1.2. Crewe High Speed Ready Heart

Good progress is being made with the Market Hall works and it is on track to be reopened in September.

Progress continues to be made with the design of the wider scheme including the car park and the public realm. The Developer Agreement hasn't been signed yet.

1.3. Ellesmere Port One Public Estate

The project has slipped significantly against profile which we are trying to manage in the rest of the programme. The project will now start on site in March and should comfortably spend the full LGF grant by the end of March 21 if we able to carry the funding forward.

1.4. A51 Tarvin Road

The land has required for the scheme has now been acquired and the payment made which is great news and will mean an overall saving to the project as they won't need to rent any land for the compound. Land clearance should start imminently.

1.5. Winsford Industrial Estate

The project has continued to slip behind profile but a payment to CWAC against the Section 278 works will help address the slippage. The main contractor has been appointed and is in mobilisation.

1.6. Sustainable Travel Schemes

There are four schemes remaining to be contracted. These are covered in a separate paper.

1.7. Energy Fund

Some good progress has been made with the Energy fund projects. Waste2tricity has had significant interest from a family office so may be able to secure all the funding for this innovative scheme to go ahead.

There has been some delay and debate about SPEN providing state-aid advice to confirm that the Net Zero Cheshire project is compliant and therefore that funding may need to be reallocated if not confirmed by the end of the month.

Storengy have made good progress with developing project Vanguard and have had some good press coverage.

1.8. Skills Fund

Paper addressing the issues raised at the last P&I meeting on the skills projects are to be covered separately as well as a request to ratify the approval of the Blue Beck bid.

There remains circa £360k unallocated of the skills fund. Skills staff are continuing to work to develop a project/s.

2. Finance

We have now spent £19.8m this year, so will need to spend another £5m in q4 to spend all the LGF that we currently hold (which includes the funding from 16/17 carried forward).

We have bought forward the final payment on Centre Park Link and Poynton Relief Road to help increase spend and account for slippage on other projects. Both these projects have spent significantly more than the LGF grant, so there are no advance funding issues.

Rather than wait until the end of Q4 to see if we have achieved spend we have requested spend figures from many of the key projects to the February so that we can see if we need to take any further action to achieve spend.

If projects spend to their latest profiles, we will achieve spend of £25.5m for the year, fully meeting our commitment to spend all the carried forward funding.

3. Growing Places Fund (GPF) Update

There will be an official opening of Cheshire Green Employment Park in March. There continues to be a good level of interest in the site and the first part repayment of the loan has been made.

4. Evergreen

CBRE have been formally appointed and will launch the fund at MIPIM. They are having meetings with potential projects across the sub-region to further develop the pipeline.

5. Outputs

The Outputs have been updated with the latest projects to have been approved. The table shows the added value of the LGF programme above and beyond what the LEP is contracted on.

As projects complete over the following 12 months there is expected to a steady increase in outputs achieved.

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	15	52%
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		33.595587	13.488	40%
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		1167	150	13%

Learners benefitting		26854	25	0%
New Cycleway (m)		11064	0	0%
Business Supported/Benefitting		1339	0	0%
No. of schools and colleges engaged		166	0	0%
Learners benefitting leading to a qualification		1055	0	0%
New learning space created (sqm)		6587.9	5532	84%
EV Charging points		20	0	0%
Greenhouse gas reductions (Tonnes)		722	0	0%

1. Risks

The top corporate and programme risks are shown below.

Corporate

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	
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. For future programmes, learn lessons and, perhaps, impose stronger contractual obligations for delivery.	4	3	12	by end of April
As a result of the high degree of volatility regarding EZ income arising from forecast accuracy, potential VOA revaluations, there is a risk of failure to exceed baseline on EZ sites	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.	Improve forecasting and understanding of cashflow.	3	4	12	

meaning less or no income would be due to the LEP.		Manage expectations about availability of finance and reduce investment programme accordingly if need be.					
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 commitment 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	
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	
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	Pursue and align to areas of economic development associated with new funding streams made available by Government.	4	2	8	

<p>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.</p>	<p>Missed opportunity to maximise 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)</p>	<p>MC has been more closely integrated into the LEP, and a joint committee established to approve and promote the "place" marketing strategy.</p>	<p>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.</p>	<p>4</p>	<p>2</p>	<p>8</p>	
<p>As a result of the LEP, or its partners, or its contractors, not handling data correctly, there is a risk of complaint to the ICO</p>	<p>Fines imposed under DPA 2018 (GDPR). Stakeholders refuse or are reluctant for the LEP to hold information. Reputational damage.</p>	<p>Review who we have contracts with and make sure they have signed up to T&Cs to manage information appropriately. Issue T&Cs to all new consultants and contractors and make sure they cover the protection of information.</p>	<p>Continue to work through areas of improvement identified by the consultants and complete the agreed action plan.</p>	<p>4</p>	<p>2</p>	<p>8</p>	
<p>As a result of the LEP non-compliance with the Ney Review, National Local Assurance Framework, or other BEIS/CLGU governance there is a risk that the LEP performance ratings are reduced or, worst, case, is categorised "requiring improvement"</p>	<p>The LEP receiving less funding in future, potentially jeopardising key economic projects necessary to deliver the economic targets for the sub-region.</p>	<p>The LEP acts on recommendations. Annual updates of the LEP's Assurance framework, increased transparency of the LEP data</p>	<p>The LEP is forming a Junior Board</p>	<p>4</p>	<p>2</p>	<p>8</p>	

As a result of an imbalance between the demands on the organisation and the resources available to it, there is a risk that performance is perceived as "requiring improvement"	Damage to the LEP reputation in the eyes of stakeholders.	The LEP gathers as much intelligence as possible regarding Government and Department plans	Processes need to develop such the LEP and stakeholders can be even more agile to new developments in policy, party politics, and opportunities identified to work and share resources with stakeholders and delivery partners.	2	4	8
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Programme Risks

RISK SCENARIO		EXISTING CONTROLS / MITIGATION MEASURES	FUTURE 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 investment programme due to Las not signing up to same T&Cs	Loss of retained business rate income, stalled developments, reputational risk to the LEP amongst stakeholders. Unable to realise the full potential of the EZ.	Draft legal agreement produced. LEP board to consider in February. Using GPF in interim to fund EZ investments.	n/a	5	3	15

Crewe Hub - Risk that project may not happen due to national political uncertainty and or that the funding isn't fully spent due to the delays with the project	Reputational risk. If govt decide not to go ahead then there the economic benefits won't be realised. Not achieving the maximum connectivity to the Hub and thereby reducing the economic benefits of the Hub and VfM.	Working closely with new govt/, CEC, DfT and the rail industry to deliver a scheme which supports the wider economic growth of the region.		5	3	15
Failure to deliver Accelerate in line with SLA	Reputational damage, loss of funding, lost opportunity	Recruited 2 staff with one to be appointed. Changing focus of third role to bring range of expertise. Regular monitoring using CRM, Weekly meetings with all staff Inc. UOC. Delivery board and mgt board established to give adequate oversight.		4	3	12

<p>Website not developed on time or budget due to number of websites that need to be integrated and to support CRM and intelligence across the LEP.</p>	<p>Expectation that the website will be completed is detailed in the LEP delivery plan, failure to delivery could impact on the LEPs governance score. Need for the website to function well to ensure transparency.</p>	<p>Brief due to go out by end of year. Keeping stakeholder engaged. Team developing content and technical rqts of site, so can start to build quickly once contractor appointed.</p>		4	3	12
<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.</p>	<p>Funding reallocated to CLR. Potential to move more if need be.</p>	4	3	12

Project	Total project cost (£)	Intervention rate (%)	Total grant	Paid in 15/16	Paid in 16/17	Paid in 17/18	Paid in 18/19	Paid 19/20	Paid to date	Profilled 19/20	Actual Q1	Actual Q2	Actual q3	Profilled q4	20/21	Total	Comment
LGF1/2																	
BEIS funding Profile				14,520,000	45,787,235	7,920,938	7,521,336			3,990,092					4,712,629	84,452,230	
Balance c/f (defrayed by CEC)				-	-	19,718,528	19,744,168			16,763,765					-	1,368,021	
Total Balance (profile +c/f)				14,520,000	45,787,235	27,639,466	27,265,504			20,753,857					3,344,608		
Completed Projects																	
Housing Fund Revenue (CWAC)	7,500,000	100.00	7,500,000	7,500,000					7,500,000							7,500,000	
DfT Tall majors including Crewe Green Link Road	25,747,350	18.64	4,800,000	4,800,000					4,800,000							4,800,000	
Chester Central	21,637,682	62.39	13,500,000	6,287,993	7,212,007				13,500,000							13,500,000	
Thornton Science Park	17,382,850	39.12	6,800,000	2,500,000	4,300,000				6,800,000							6,800,000	
Birchwood Pinchpoint	4,986,000	42.92	2,140,000	2,140,000					2,140,000							2,140,000	
M62 J8 Junction Improvements (Omega)	11,690,000	42.77	5,000,000		2,476,986	2,523,014			5,000,000							5,000,000	Fully claimed
Reaseheath Agri Tech Centre	7,457,972	33.19	2,475,000	835,000	1,069,000	447,250	123,750		2,475,000							2,475,000	Fully claimed
Reaseheath Employer Focused Hub	1,889,307	35.72	674,850	41,000	412,000	188,108	33,743		674,851							674,851	Fully claimed
Reaseheath Sports Science and Performance Academy (osprey)	6,169,154	35.17	2,169,750	330,000	1,179,000	552,263	108,488		2,169,751							2,169,751	Fully claimed
Reaseheath Learning Hub and Accommodation	11,244,158	31.86	3,582,315	927,000	1,685,000	791,200	179,116		3,582,316							3,582,316	5% left to claim
Ellesmere Port and Chester Campus remodelling	3,791,198	84.35	3,198,000			955,797	2,242,203		3,198,000							3,198,000	Complete
Crewe Green Roundabout	7,500,000	44.00	3,300,000		381,480	962,527	1,955,993		3,300,000							3,300,000	updated 17.04.18
Sydney Road Bridge	10,378,000	56.37	5,850,000		800,000	1,367,646	3,097,200	585,154	5,850,000	585,154	585,154					5,850,000	Updated April 19
Live Projects																	
GM & Cheshire Life Science Investment Programme	31,982,000	31.27	10,000,000	1,459,007	2,269,702	3,273,616	1,628,659	1,369,011	9,999,994	1,369,017		1,369,011				9,999,994	Updated May 19 to show LGF being used to pay CEC's payments including those paid by CEC in 18/19
Warrington Waterfront (Centre Park Link)	19,891,000	26.65	5,300,000,000		2,383,532	1,804,104	582,364		4,770,000				530,000			4,770,000	Updated April 19
Ellesmere Port Central Development Zone	17,392,000	47.91	8,332,228				361,413	1,351,761	1,713,174	3,112,000	207,495	767,465	376,801	886,403	3,507,054	8,332,228	Updated Jan 20 to reflect delay to start of the programme
Poynton Relief Road	50,700,000	11.05	5,600,000				5,040,000		5,040,000					560,000		5,040,000	Updated April 19
Total LGF 1/2 spend	224,091,320	34.77	77,922,143	14,520,000	24,168,707	12,865,523	15,352,929	3,305,926	70,213,084	5,066,171	207,495	2,721,630	376,801	1,976,403	3,507,054	76,832,138	
Funding defrayed on CEC projects					21,618,528				70,213,084								
																	12,073,850
LGF3			Indicative allocation / Profile							992,244							
BEIS funding Profile						10,348,178	8,494,566		4,244,678						20,192,577	61,549,115	
Crewe High Speed-ready Heart Town Centre Regeneration Programme	24,700,000	20.24	5,000,000			480,269	324,471	1,969,151	2,773,891	2,360,000	60,485	1,152,814	755,852	390,849	1,835,260	5,000,000	Profile from CEC updated from the q1 claim
Crewe High Growth City – Congleton Link Road	89,600,000		5,000,000					5,000,000	5,000,000	5,000,000		5,000,000				5,000,000	Congleton Link Road now included so that money can be transferred from CHSRH
Unlocking Winsford Industrial expansion Land	10,900,000	34.86	3,800,000			220,000	189,041	1,007,756	1,416,797	2,000,000	498,216	370,337	139,203	1,200,000	1,390,959	3,800,000	Updated Feb 20
Tarvin Road	5,427,000	67.50	3,663,000				285,990	461,580	747,570	1,199,223	51,775	289,128	120,677	250,434	2,177,787	3,663,000	Based on profile provided April 18. Awaiting reprofile
Warrington East Highways Improvements	13,355,000	51.67	6,900,000			1,510,255	2,019,877	3,369,868	6,900,000	3,369,868	1,540,100	1,139,768	690,000			6,900,000	Updated October 19
Warrington West Programme																	
Omega Local Highways Schemes phase 1	4,100,000	74.76	3,065,000														updated 11.09.18. needs confirming by WBC
Warrington West Station	20,524,000	31.82	6,530,000	1,900,000		3,167,429	809,571		5,877,000							5,877,000	Updated April 19
Warrington West Station cycle access	345,000	72.46	250,000														
Burtonwood Omega Path (WBC)	1,650,000	30.30	500,000														CPO process underway. Profile updated Jan 19
Omega Phase 2b	2,350,000	41.91	985,000														
sub-total	28,969,000	251	11,330,000		1,900,000	3,167,429	809,571		5,877,000	4,320,000		4,320,000			1,133,000	11,330,000	
Skills																	
Macclesfield Stem Centre (Astra Zeneca)	402,420	66.70	268,420							200,420			72,864	127,376	68,000	268,420	Updated May 19
Reaseheath College - automatic dairy	736,000	89.13	656,000							45,000				45,000	611,000	656,000	
LiveWire Warrington	37,892	52.76	19,992							19,992				19,992	-	19,992	
Warrington and Vale Royal college - community digital Hubs	52,525	74.44	39,100							39,100				39,100	-	39,100	
Youthfed - C&W Security Operations Centre (SOC) Training Academy	297,398	5.85	17,398							17,398				17,398	-	17,398	
UTC Warrington	39,988	49.98	19,988							13,000				13,000	6,988	19,988	
CCSW - Additive manufacturing and VR/AR using augmented assistance	44,175	41.28	18,235							18,235				18,235	-	18,235	
CCSW - Digital and Advanced Engineering Skills project	2,230,749	40.96	913,648							124,702			124,701	788,946	913,648		
Macclesfield College - Chef's Whites Academy	200,000	12.50	25,000				14,427	10,573	25,000	10,573	10,573			0	25,000		
Reaseheath College - Controlled Env. Food production Centre	340,000	100.00	340,000							20,000				20,000	320,000	340,000	
UOC- High Performance Private Cloud	1,968,308	45.37	893,000							400,000				493,000	893,000		
Carpe Diem - IOTA	398,560	35.77	142,560							142,560					142,560		
AMET Centres - Warrington Campus and Vale Royal Campus	1,369,000	47.92	656,000												656,000	656,000	
Macclesfield College - Specialist digital and advanced manufacturing equip	551,219	94.63	521,615							321,615				321,615	200,000	521,615	
Blue Beck - gaming support and development	336,000	32.41	108,901												147,000	147,000	
Skills funding not yet allocated	322,044	111.83	360,143												322,044	322,044	
Sub total	9,326,278	53.61	5,000,000				14,427	10,573	25,000	1,372,595	10,573			72,864	746,417	5,000,000	
Energy Innovation																	
C&W Business Energy & Efficiency Programme	1,415,030	49.12	695,000												695,000	695,000	Updated May 19
Storengy - Project Vanguard	1,035,000	33.33	345,000							20,000			325,000	345,000	365,000		Updated February 20
EA Technology - Netzero Cheshire	789,000	42.46	335,000											335,000	335,000		updated Jan 20
Waste2ricity - Protos Hydrogen production facility	19,649,325	6.36	1,250,000							550,000				550,000	700,000	1,250,000	
SP energy networks/Ea Tech - Delivering network visibility in Cheshire's Energy Innovation district	1,650,168	50.00	825,084												825,084	825,084	
Crewe Town Centre Heat Network	2,972,268	23.55	700,000												700,000	700,000	
Energy Fund video			986											986			
Sub-total	27,510,791	15.09	4,151,070							570,000				875,986	3,600,084	4,170,084	needs to add up to E4,151,070
Joint Cheshire and Warrington Sustainable Travel Access Fund																	
Chester Road (WBC)	900,000	66.67	600,000												600,000	600,000	seeking full approval Dec 18
TPT Upgrade (WBC)	900,000	66.67	600,000												600,000	600,000	Estimated profile updated Jan 19
Wilmslow Strategic Cycle and Walking route (CEC)	950,000	94.74	900,000												900,000	900,000	Seeking full approval Sept 19
Northwest Crewe Cycling and Walking Link (CEC)	174,500	40.11	700,000												700,000	700,000	Seeking full approval Sept 19
AS117 Cycle Route, Ellesmere																	



CHESHIRE AND WARRINGTON LOCAL ENTERPRISE PARTNERSHIP

INVITATION TO BID FOR INVESTMENT OF LOCAL GROWTH FUND SKILLS FUNDING IN SPECIALIST EQUIPMENT TO TRANSFORM DIGITAL AND ADVANCED ENGINEERING SKILLS ACROSS CHESHIRE AND WARRINGTON

1. INTRODUCTION

Earlier this year Cheshire and Warrington LEP consulted on how best to invest £5 million of Local Growth Fund in the specialist equipment needed to deliver digital and STEM-related training and education to as many residents as possible across Cheshire and Warrington. The LEP was particularly keen to stimulate new ideas that would inspire and inform about new technologies.

The LEP received a number of interesting responses and, following consultation with the LEP's Employers' Skills and Education Board has decided to issue three invitations to bid:

1.1 FIRST INVITATION TO BID

The LEP is offering to fund a maximum of five investments of up to £20,000 each for specialist equipment that can be taken into schools, colleges, libraries and other community centres or could be easily accessed from key locations. The aim is to spark interest and change mind-sets about how digital and new technologies can transform lives. There is a clear need for short, focused modules of training both face to face and e-learning which develop skills at a quicker pace and which is relevant and aligned to business needs.

The LEP is particularly interested in investments in specialist equipment that will demonstrate the transformations that individuals and businesses can achieve by acquiring digital skills that address skill shortages and support the transformation of business practices to make businesses more productive, more able to adopt clean energy for sustainable growth and highlight the importance of cyber security.

1.2 SECOND INVITATION TO BID

The LEP is offering to fund a maximum of two investments of up to £250,000 each for specialist equipment that can be used to deliver digital and advanced engineering training and education that are particularly important to improve the competitiveness and raise the productivity of one or two specific groups of employers or sectors of industry within Cheshire and Warrington. The specialist equipment should be accessible to as wide a range of individual residents of Cheshire and Warrington as possible.

1.3 THIRD INVITATION TO BID

The LEP is offering to fund a maximum of five investments of between £500,000 and £1,000,000 for specialist equipment that can be used to upskill and reskill the existing workforce so that we can transform digital and advanced manufacturing skills across all sectors of business in Cheshire and Warrington. In general the specialist equipment will be sufficiently generic to enable as many



businesses as possible to transform their business practices at a faster pace and through cross-sector collaboration.

Members of the Employers' Skills and Education Board have identified digital skills as a key priority that is important to all businesses if they are to take advantage of the opportunities of digitalisation and raise productivity. Board Members have discussed this issue on a number of occasions including in response to a joint presentation by Bentley Motors and Network Rail and Bentley have produced a strategy (Annex A) for the delivery of range of digital skills needed to achieve digital transformation. The delivery strategy focuses on the levels of expertise needed to ensure digital transformation from an overview and mind-set change through to subject matter experts. Bentley have agreed to share their digital delivery strategy to help stimulate ideas and maximise the impact of digital transformation across Cheshire and Warrington. Annex A also reflects the issues identified by the Made Smarter Review led by Juergen Maier (CEO Siemens):

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655570/20171027_MadeSmarter_FINAL_DIGITAL.pdf. and the recent publications by DCMS: <https://www.gov.uk/government/publications/current-and-future-demand-for-digital-skills-in-the-workplace>.'

2. KEY QUESTIONS TO BE ADDRESSED DURING CONSULTATION

For each bid the following questions must be answered using the template at Annex B.

2.1 INNOVATION AND IMPACT ON BUSINESSES (ADDITIONALITY)

- What specialist equipment is needed?
- What will be the added value of the specialist equipment – in particular, how will it enhance existing equipment in Cheshire and Warrington. Is it of international, national or local significance?
- How will the investment contribute to innovation in sparking interest in digital technologies or in the delivery of training/ the curriculum?
- Will the specialist equipment help local businesses to improve their productivity or create new jobs?
- How will the specialist equipment enhance the Digital related training packages that employers are prioritising for investment?

2.2 ACCESSIBILITY

- Where will the specialist equipment be located?
- Who will be able to access the equipment – in particular, how many businesses and individual learners in Cheshire and Warrington will be able to access the equipment? Please note that the LEP is keen to ensure that the equipment is used by individuals who currently do not have easy access to specialist equipment – for example in rural areas.
- How will the equipment be used to engage the next generation of employees and the existing workforce?
- Will it be possible to borrow the equipment for use in events such as career fairs or for use by other training providers?



- Governance - who will own the equipment?

2.3 FINANCE

- How much will the equipment cost and how will it be funded?
- What will be the running costs for using and maintaining the equipment and how will these be funded?
- Will the equipment be purchased or leased?
- Matching funds are not compulsory but the extent of matched funding from the private and/or public sector will influence decisions around the cost effectiveness of any investment of Local Growth Fund.

2.4 SUSTAINABILITY

- Will the investment be sustainable – if yes please state how it will be sustainable and over what period of time?
- How will the equipment be maintained and how will be trained to use the equipment?

Please complete the attached business case proforma (Annex C) to include an explanation of the gross value added of the proposed investment and details of the makeup of the businesses who will be able to access the specialist equipment in terms of size, geography and sector and the makeup of the individuals (beneficiaries) who will be able to use the equipment (age, gender, geographical location, etc).

3. SUBMISSION OF BIDS

Bids, including business cases, should address each of the questions listed above in paragraph 2. Bids should be submitted electronically to Pat Jackson (pat.jackson@871candwep.co.uk). Deadline for each invitation to bid are shown in section 3.2 (milestones).

For queries please contact Pat Jackson on 07931804870 or email to the above address.

3.1 DECISION CRITERIA AND SELECTION PROCESS

Following the end date of the consultation the LEP will make an initial assessment of the bids and associated business cases and then a subgroup of the LEP’s Employers’ Skills and Education Board will review the bids and prioritise them. The prioritised bids will then be taken to the Employers’ Skills and Education Board and the Performance and Investment Committee for final approval.

Assessment of bids will be based around the answers to the questions set out above in paragraph 2 with a particular emphasis on the impact and value for money of the proposed investments across Cheshire and Warrington. Each answer will be scored using the following scoring criteria.

Scoring Criteria	Score
Response is excellent, clear and concise	5
Response is good- better than merely acceptable	4



Response is acceptable	2
Response is unsatisfactory and only partly addresses the question	1
Failure to respond or irrelevant information	0

Where possible links will be made between bids and collaboration and partnership working encouraged to ensure as many individuals and employers are able to access the specialist equipment across Cheshire and Warrington.

The investment of the £5million Local Growth Fund could be made in a number of tranches over a 12 months period to ensure any ‘pilot’ investments inform future investments.

3.2 KEY MILESTONES

Milestone	Date
Deadline for first invitation to bid for a maximum of five investments up to £20,000	23 July 2019
Deadline for second invitation to bid for a maximum of two investments of £250,000	30 July 2019
Deadline for third invitation to bid for a maximum of five investments between £500,000 and £1,000,000	13 August 2019
LEP appraisal of bids to be completed	Approximately 2 – 4 weeks after deadlines for each invitation to bid
Panel convened to review and prioritise bids	Week commencing 2 or 9 September
Decisions of Employers’ Skills and Education Board and Performance and Investment Committee	18 September 2019 Panel with approvals in principle announced to bidders within a few days of meetings
Further information to be provided if necessary	
Contract investments	September to December 2019
Deadline for Local Growth Fund to be spent	March 2021



ANNEX B

LOCAL GROWTH FUND – TEMPLATE FOR SUBMITTING BIDS

The following is a bid in response to:

- First invitation to bid for a maximum of five investments of £20,000 each
- Second invitation to bid for a maximum of two investments of £250,000 each
- Third investment to bid for a maximum of five investments of between £500,000 and £1,000,000 each

For each bid please answer the following questions.

Name of person responding	Peter Scott
Business address	Blue Beck Ltd, 3rd floor, George Street House, George Street, Macclesfield, SK11 6HS
Telephone number	07801 556255
Email address	pscott@bluebeck.co.uk

Please provide clear and concise answers to the following questions	
INNOVATION AND ADDED VALUE (ADDITIONALITY)	
Question Number 1	<p>What specialist equipment is needed? Please provide a brief description.</p> <p>We are building a fully resourced gaming hub to enable independent (indie) gamers to be able to publish their work on international platforms including, but not limited to, mobile platforms (Apple App Store, Google Play and Amazon Appstore), Playstation, Xbox, Nintendo and upcoming VR/AR platforms such as Oculus. This hub will include a range of high-powered gaming devices, tools and equipment for developing, demonstrating and hosting gaming projects and events across the region.</p> <p>The resources will also be used to support schools and colleges in the Cheshire and Warrington area for work experience placements to gain insight into games development and industry as a whole. The facilities and the equipment will also enable hosting experience days where students come in and learn about technologies like VR and AR. Linking Indie games developers and students provides useful work experience and potential resources to the teams. These resources can also be taken out to schools and libraries for events and sessions around technology.</p>



	<p>These resources will be both physical hardware, connectivity and access to relevant industry expertise. Full list of required resources is listed in section 11.</p>
<p>2</p>	<p>What will be the added value of the specialist equipment – in particular, how will it enhance existing equipment in Cheshire and Warrington? Is it of international, national or local significance?</p> <p>Please provide brief description of added value and links to any other investments</p> <p>The global gaming market is worth £120bn in 2019 and predicted to grow to £150bn by 2020 at a 9% CAGR. With a healthy 10% CAGR and a record-breaking revenue at £5.7bn, The UK games industry is one of the most cutting-edge and fastest-growing in the World.</p> <p>As smartphones are driving the growth and 43% of the device usage is spent on gaming, many businesses are starting to embrace gaming as a viable access point to reach and engage their target segments. This has led to an increase in demand in game development services, as well as access to the information on how to capture this market. Also, with the rapid growth of esports, there are major opportunities available for a wide variety of gaming professionals - players and makers alike, and subsequently, ample revenue earning potential for businesses and individuals. The UK's significance in the mobile gaming world has been largely made possible by the extraordinary homegrown talent, the investment from funding bodies and private investment groups. This, however, has consistently been focused on London and its surrounding areas leaving Northern development hubs underfunded. This has led to a significant talent drain and limited growth outside the capital area.</p> <p>This equipment will provide the necessary infrastructure and opportunities to establish Cheshire and Warrington as a leading indie gaming hub, which will nurture local talent, help drive business growth and expertise in the local region with an international impact. Supporting Indie developers means that they will be able to publish their games, grow their teams and provide new jobs in the area.</p> <p>The equipment will also be used to promote local Esports players and host eSports events allowing for connecting with the wider eSports community within the UK and internationally. We have been speaking with the British Esports Association about ways we can use the space to collaborate. Studies have found that engaging in eSports offers many benefits in engaging the youth, teaching about teamwork, increasing strategic thinking, helping rehabilitate those with perceptual and cognitive deficits. It can also be used to develop basic maths, language and reading skills. Also, contrary to general myths around gamers, eSports gaming helps develop social skills and 71% of parents report that video games have a positive influence on their child's life. This is a massive opportunity for the Cheshire and Warrington region, as eSports demand is growing at a rapid rate and the activity to capitalise on this has focused largely on large cities or the capital area.</p>
<p>3</p>	<p>How will the investment contribute to innovation in sparking interest in digital technologies or in the delivery of training/ the curriculum?</p> <p>Please provide brief description</p> <p>We were involved in the consultation of the new T-levels with Priestley College, where gaming is at the forefront of requested courses and the new software development course is being tailored to reflect these changing digital needs.</p>



	<p>Gamification and using gaming as a means of engaging traditionally hard-to-reach audiences presents opportunities to aspiring game developers, whose highly transferable skill sets are in high demand with most employers seeking to expand their digital footprint. The opportunities presented by gaming is not limited to just developers or technology-focused roles, but also for those interested in marketing, analytics, economics and design, for example.</p> <p>With the equipment, facilities and pioneering industry expertise facilitating new product innovation, there is unlimited potential on making a real impact to the local culture, skills and growth.</p> <p>With the incorporation of eSports into the facility offerings, we have the opportunity to capitalize on the massive growth of eSports and engage the regional youth through gaming. The research has shown significant benefits for its participants in developing essential life skills, addressing social exclusion and improving the overall online experience.</p>
<p>4</p>	<p>Will the specialist equipment help local businesses to improve their productivity or create new jobs?</p> <p>Please provide brief details</p> <p>As above, the skills created and developed are transferable to software development amongst others, so this upskilling will influence opportunities for growth and increased productivity across various sectors. This will serve to narrow the digital skills gap and complement the Science Corridor.</p> <p>If we refer to the 2017 Made Smarter review “The UK is behind other advanced nations in overall productivity (output per worker), which is in part due to lower levels of adoption of digital and automation technology.¹ This is particularly acute among SMEs.”</p> <p>“Innovation assets are under-leveraged and not focused enough on supporting IDT start-ups, meaning the UK is falling behind in creating new innovative companies and industries.”</p> <p>Gaming, and particularly AR/VR have several links into sectors including health and education. There are several examples of these at Alderley Park where we will be able to share expertise through developing partnerships. (I’ve also quoted an example from BAE in section 5, showing how they’ve used skills from gaming to other industry)</p>
<p>5</p>	<p>How will the specialist equipment enhance the Digital and STEM related training packages that employers are prioritising for investment?</p>
	<p>Please provide brief details including the extent to which you have consulted on this. Letters of support from employers would help to illustrate the level of demand</p> <p>Blue Beck partnered with Tony Hine who had a personal involvement in both MaccTech (local tech meetup) and Weave (board for improving Digital across Cheshire), as all businesses are seeing a need to upskill their digital skills and ensure they are demonstrating innovation and pioneering opportunities to attract and retain talent. Peter Scott has been speaking to the local schools and colleges to find out their needs and requirements for student placements and how we can support their development skills.</p>



	<p>If you want to look at the Made Smarter Review, the correlation between gaming and other industries couldn't be better summarised than this example: "Companies like BAE Systems who are using technology developed by the video games industry to build warships for the Royal Navy more cheaply and efficiently, and, in the process, directly support the aspirations of the National Shipbuilding Strategy."</p>
ACCESSIBILITY	
<p>6</p>	<p>Where will the equipment be located? Please state proposed locations and whether permission has been given to use these sites</p> <p>The equipment will be based within the Digital Hive in Macclesfield which is easily accessible via road and rail with the train station just 2 mins walk away. It allows for easy access for any guest tutors/speakers with just 1h40 from London and 20m from Manchester.</p> <p>The Digital Hive is a co-working and events space also owned by the co-founders of Blue Beck. This is where we will hold sessions with local schools and colleges, indie developers and hold eSports events.</p> <p>While the hub will be located in Macclesfield, we are also liaising with partners from around the Cheshire & Warrington region. We look to deliver sessions collaboratively with partners, such as Base in Warrington, for example, and expand on our collaborations with existing Digital Hive partners.</p>
<p>7</p>	<p>Who will be able to access the equipment – in particular, how many local businesses and individual learners (beneficiaries) will be able to access the equipment? Please note that the LEP is keen to ensure that the equipment is used by individuals who currently do not have easy access to specialist equipment – for example, in rural areas. Please provide brief details including numbers of businesses and individuals and their makeup</p> <p>Thanks to our central location, we are easily accessible from the whole of Cheshire, Warrington and wider regions. With a large number of people commuting to the region, creating the right environment for innovation and locally sourced expertise will offer wider incentives for people and businesses to move into the area.</p> <p>This level of a setup can often only be found in the major cities. As Macclesfield is easily accessible via both road and rail, it offers an opportunity to provide the equipment and services both to those in urban and rural areas.</p>
<p>8</p>	<p>How will the equipment be used to engage the next generation of employees and the existing workforce? Please provide brief details</p> <p>Innovation and R&D opportunities will be encouraged with the ability for pioneering ideas and projects to be created, tested and put out to market.</p> <p>These opportunities will be available to individuals, SMEs and those normally restricted from trying out and testing projects. Subsequently, this allows for gaining valuable new skills and up/re-skilling others to be able to respond to the changing digital landscape, gaining transferable skills in the process.</p>



9	Will it be possible to borrow the equipment for use in events such as career fairs or for use by other training providers?
	<p>Please provide brief details</p> <p>Yes, we want to be able to facilitate as many people to get access to the equipment.</p> <p>Through collaboration and partnerships, we would be able to use the equipment at exhibitions such as career fairs. We also wish to facilitate opportunities for individuals to develop communication and presentation skills while sharing the work they have created.</p> <p>Using established links with universities and other training providers they will be able to use our facility to add additional value, expertise and potential revenue to support future growth.</p>
10	Governance - who will own the equipment?
	<p>Please provide details</p> <p>The equipment will be owned by the Blue Beck Ltd.</p> <p>We are willing to discuss any other arrangements, if preferred.</p>
FINANCE	
11	How much will the equipment cost and how will it be funded?
	<p>Please provide an approximate estimate of cost and any contributions from the public and private sector. proposed locations</p> <p>Hardware</p> <p>10 x Gaming (high performance) laptops (Alienware m17) - approx £3k per unit - £30,000 Spec and price would be finalised upon approval, ensuring meets current industry requirements and best value.</p> <p>Large Screen for presenting/training (Samsung 82-inch RU8000) - £1,998 Logitech Meet-Up ConferenceCam Camera - £999 2 Logitech C920 HD Pro Webcams @71.35 - £142.70 1 Gaming PC for presenting and eSport (ALIENWARE AURORA) - £3,100 2 Mini Fanless PCs @£260.95 - £521.90 Mobile phone purchase budget: £15,000 over 2 years. Sony Dev Kit and hardware x 4 - £8,000 Nintendo Switch Dev Kit and hardware x 4 - £8,000 Oculus - VR Headset and related equipment - £3,000 VIVE Pro - VR Headset and related equipment - £18,299 VIVE Pro storage case - £45.99 Computer Peripherals (gaming mice, laptop stands etc) - £1,000 Wacom Cintiq 22 @ £869.99 each x 5 - £4,349.95 iPad Pro - £1,119 iPad Air - £599.00 iPad Mini - £519 Mac Mini @ £1,609 x 5 - £8,045 Mac accessories (mice and keyboards) - £1040</p> <p>Total 105,778.55, fully requested from the bid</p>



	<p>Software</p> <p>Unity and Epic Unreal Engine Licence (development software) - £30,000 5 years virus checker for 11 machines - £89.99 for 10 plus £44 x3 - £666 4 Adobe Cloud Licences purchased for 5 years @£50 per licence per month - £12,000 Conferencing Software (Zoom.us) @£15.99pm - £959.6</p> <p>Total for 5 years = £41,194.32 (adjusted to account for 2019/20 shorter lease requirement)</p> <p>Furniture</p> <p>12 folding flat tables (100cm X 60cm) @ £65.99 - £791.88 12 strong folding chairs @£79 - £948 Secure laptop storage - £593 Secure laptop charging case for transport (Loxit Lapbank Laptop Charging Kit) - £181.44 4 Secure Storage unit for peripherals, VR and development kits (Ikea) @ £199 - £798</p> <p>Total £3,312.32, fully requested from the bid</p> <p>Internet</p> <p>Dedicated connectivity - £23,000</p> <p>Total - £173,285.18</p> <p>Funding requested from the bid: £109,091</p>
<p>12</p>	<p>What will be the running costs for using and maintaining the equipment and how will these be funded?</p> <p>Please provide approximate costs and funding sources at this stage</p> <p>Subtotal - £0k Total - £0k</p> <p>Industry expertise - Blue Beck will share their services and expertise of their staff for a number of hours within the year. Normal charge out rate per individual is £750 per day and £1500-2000 a day for their founding directors.</p> <p>The current proposal includes 5 days per month of a developers time.</p> <p>Plus 1 day per month from the founding directors to assist with input and value. This equates to a package worth £63,000 p.a for the first year and a total of £188,000 over a 5 year period.</p> <p>(This initial support is being supplied pro bono from Blue Beck Limited subject to support in other areas stated)</p> <p>More details can be found here: https://www.bluebeck.co.uk/about/</p>



13	Will the equipment be purchased or leased?
	<p>Please provide details – if the investment is short-listed you will need to seek accounting advice to confirm that the costs can be capitalised</p> <p>Hardware will be purchased, services are on a lease agreement.</p>
14	Matching funds are not compulsory but the extent of matched funding from the private and/or public sector will influence decisions around the cost-effectiveness of any investment of the Local Growth Fund.
	<p>Please provide brief details and approximate values and sources of matched funding and whether the match is confirmed</p> <p>Subject to a successful bid, a support package worth £188k will be provided by Blue Beck limited to offer support and consultancy for the project. Blue Beck will also provide software packages and internet line rental to run the service initially worth £10k.</p>
SUSTAINABILITY	
15	Will the investment be sustainable – if yes please state how it will be sustainable and over what period of time?
	<p>Please provide brief details</p> <p>We are initially budgeting for a 3 year period, within this time we hope to establish a key service which is attractive to a number of individuals, businesses and gathers support for future expansion and development.</p> <p>If successful we may also be able to replicate the program as a service itself in other regions bringing in income to reinvest and increase our support outreach further.</p>
16	How will the equipment be maintained and who will be trained to use the equipment?
	<p>Please provide brief details including whether a maintenance budget has been secured.</p> <p>As per section 12 we are creating a new job for the facilitation and maintenance of equipment and related resources.</p> <p>Maintenance costs have been defined and listed within the finance section of the bid.</p>

Summary of Costs and Outputs

INVESTMENT	
What is the total cost of specialist equipment	£173,285.18
How is it proposed that it will be funded (public and private sector leverage)	£110k will be funded from the bid with a package of additional support package worth £198k over 5 years provided by the private sector partner. This £198k will include consultancy, staffing, internet, software and marketing support over 5 years.



OUTPUTS	
Number of individuals benefiting	Approx 19000 (Digital and Creative across Cheshire) + others
New jobs created	1 (3 x Annual Placement) , + new roles TBC
Gross value added per annum	Tech sector estimated GVA per person in the region of £91,800 (Based on the new position plus If one new role is created per month within the hub this is 13 per annum = £1,193,400
Number of businesses benefitting	2000+
New technology developed	New games to market, innovations created, improvement to industry. A devised system from idea to production which can be rolled out regionally and nationally once validated as a commercially viable, iterateable product.

Additional Information

Please complete a business cases using one of the templates provided at Annex C

<p>Please provide any additional information that you think may be relevant to the consultation</p> <p>Blue Beck is a pioneering app, gaming and software development company with roots in game development spanning back to the 1990s. We have recently launched The Digital Hive, a new co-working, events and potential incubator space in Macclesfield aimed at supporting the digital and creative community. Collaboration will be a key area for us and we are expanding on links across Cheshire, Warrington and surrounding areas with the aim of supporting individuals and businesses to make their ideas a success. Blue Beck is committed to growing its games footprint and local engagement over the next five years and will use the Digital Hive as a base for the various collaborations it will make over the next 5 years, which is where the proposal to build a leading gaming hub got its start.</p> <p>We only recently came across the bid invitations and felt we had an ideal opportunity and facility to be able to launch a project that fits with our values, creating opportunities for others.</p> <p>With the supportive infrastructure and environment created to nurture and support startups and encouraging collaboration with other businesses we felt that creating a sector-specific project as we have done to support the indie gaming community with the support of an industry expert was ideal.</p> <p>We have completed the requested points within Annex C but if any additional information is required please just let us know. We look forward to discussing our ideas with you and shape/refine from any feedback to ensure we create the ideal opportunities for others to thrive and help further support the successes of Cheshire and Warrington.</p>
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Thank you for your bid.

ANNEX C – OUTLINE BUSINESS CASE TEMPLATE

CHESHIRE AND WARRINGTON LOCAL ENTERPRISE PARTNERSHIP

LOCAL GROWTH FUND BUSINESS CASE TEMPLATE

The Local Growth Fund is awarded on a competitive basis and as such the LEP has to ensure that it is presenting a compelling case to Government and that the projects it submits show a clear rationale and well defined benefits. Further guidance on the Local Growth Fund is available at: -

<https://www.gov.uk/government/publications/growth-deals-initial-guidance-for-local-enterprise-partnerships>

In order for the LEP Executive and others to appraise proposals, all Promoting Organisations are required to complete this Local Growth Fund Business Case Template. In addition to headline project details, the form comprises six sections: -

- B: Strategic Case
- C: Economic Case
- D: Financial Case
- E: Management Case – Delivery
- F: Commercial Case
- G: Evidence and Supporting Information

Please complete the form as fully as possible ensuring that all information requested is included. If there are elements that you are not yet in a position to complete please indicate clearly when this information will be available.

Where additional information is requested, such as location maps or Gantt charts, please supply these as separate documents or files, rather than attempting to embed them within this form.

Please note that questions B6 and C3 are only applicable to Transport Schemes.

Additional information may be requested for projects seeking funding from specific streams of LGF (e.g. FE Skills Capital).

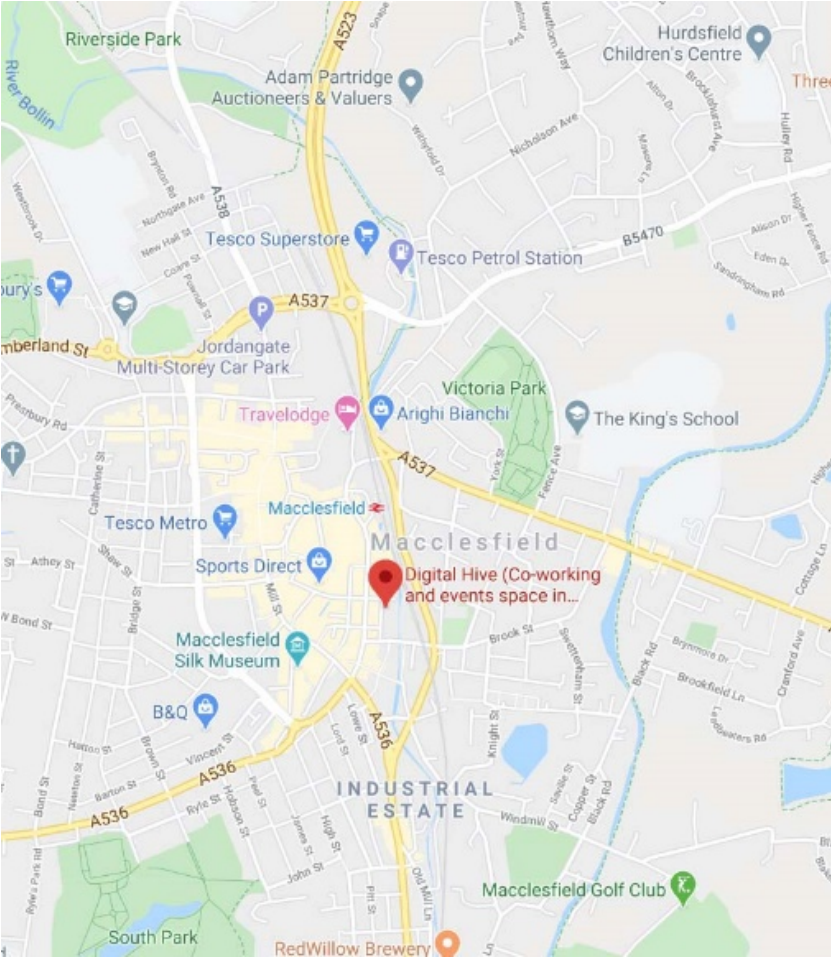
Note that all project proposals must align to the priorities identified within the LEP's Strategic Economic Plan.

On completion, please return the form to Rachel Brosnahan at Rachel.brosnahan@871candwep.co.uk

Section A: Scheme Details

This section asks you for basic information on your scheme, including a brief description, type of scheme, scheme location and contact details for further information.

A1: Scheme Name	Games Hubb - Supportive Hub For Independent (Indie) Gamers
A2: Promoting Organisation	Blue Beck Ltd
A3. Accountable Body	<i>Please provide details of the project's Accountable Body (if different from the Promoting Organisation)</i>
A4: Main Point of Contact	<i>Please provide full contact details of the person who should we contact for further information on your scheme?</i> Peter Scott Blue Beck Ltd, George Street House, George Street, Macclesfield, SK11 6HS
A5: Type of Scheme	<i>Please indicate the type of scheme being submitted</i>
	<input type="checkbox"/> Transport infrastructure <input type="checkbox"/> Regeneration <input checked="" type="checkbox"/> Enabler
	Other (please specify): Digital and STEM Equipment Fund
A6: Scheme Description	<i>Please give a brief description of your scheme (in no more than 100 words)</i> Equipment and resources to enable an independent (indie) gamer to be able to publish their work on international platforms including but not limited to Playstation, Xbox, Nintendo and upcoming VR/AR platforms such as Oculus. These resources and facilities will also be used for eSports events, student experience days, work experience and placements for schools and colleges in the region to learn more about the industry and technology. These resources will include physical hardware, connectivity and access to relevant industry expertise and support within a relevant environment. Resources are largely mobile and can be taken out to school and library events.

<p>A7: Total Project Cost</p>	<p><i>Please indicate the total capital cost of your project</i></p> <p>£302,319 - includes partner support</p>
<p>A8: LGF Requested</p>	<p><i>Please confirm the total amount of LGF requested</i></p> <p>£108,901 Percentage 36% of total project costs</p>
<p>A9: Geographical Area</p>	<p><i>Please provide a short description of area covered by the Scheme (in no more than 100 words)</i></p> <p>Located at the heart of Macclesfield, within a new co-working space Digital Hive (only a floor below Blue Beck office), 5 minutes' walk from the train station and bus station, Games Hubb seeks to primarily serve communities within Cheshire and Warrington area. The national rail and transport links, however, allow for national reach for the gaming and eSports community.</p> <p>The online components of the Games Hubb future offering allow for easy national and international access to the service.</p>  <p><i>Please supply a location map and where possible a map showing the site boundary (and Mapinfo Table(s) where available). If possible please highlight existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.</i></p>

<p>A10: Alignment to Strategic Economic Plan and National Policies</p>	<p><i>Please select which strategic priorities the scheme aims to support. Please select all categories that apply.</i></p>
	<p> <input type="checkbox"/> Constellation Partnership <input type="checkbox"/> Cheshire Science Corridor <input type="checkbox"/> Warrington New City <input type="checkbox"/> Mersey Dee Economic Alliance <input checked="" type="checkbox"/> Other(s), LEP’s Education and Skills Plan </p>
	<p><i>Please provide evidence of how your proposal also aligns with and supports relevant National policies or initiatives.</i></p> <p>The key aims that underpin our proposal are building a local gaming community hub, that not only appeals to existing gamers but also engages those with an interest in gaming but are not aware of local opportunities to exercise it, and also those who may not have explored gaming as a social activity or a potential career choice in the past.</p> <p>As a long-standing employer and a pioneering gaming company, Blue Beck will have both the essential industry expertise to help indie gamers monetise their craft as well as facilitate new potential gaming enthusiasts find their place in the industry through experience days, workshops and events. These goals are firmly aligned with Cheshire & Warrington LEP ‘Skills and education’ priorities in:</p> <ul style="list-style-type: none"> - Retaining and attracting graduates through expanded range of career opportunities in a \$120bn industry (UK accounting for nearly £6bn) - Increasing the number of STEM and digital skills through supported development, workshops and events. - Enabling individuals to find a job or progress in their career or start a business in gaming, which is what supporting indie gamers in publishing their own content is specifically geared towards.

B: Strategic Case

This section should set out in more detail the rationale for making the investment and evidence on the strategic fit of the Scheme.

B1: Current LEP Challenges / Market Failures / Opportunities Addressed by Scheme

What are the current problems or market failures to be addressed by your Scheme? (Describe any economic, transport, skills, environmental, social problems or opportunities which will be addressed by the scheme). Please provide quantitative examples of how the problems will be addressed by your Scheme.

(Limit: 1 side of A4).

The digital skills gap could cost the UK £141 billion in GDP growth (Accenture).

We also need to ensure skills and opportunities are accessible to all outside of the main cities. Macclesfield is ideal for this as it has great transport links to encourage access from both within Cheshire and attract talent from other regions.

The global gaming market is worth £120bn in 2019 and predicted to grow to £150bn by 2020 at a 9% Compound Annual Growth Rate (CAGR). With a healthy 10% CAGR and a record-breaking revenue at £5.7bn, The UK games industry is one of the most cutting-edge and fastest growing in the World.

As smartphones are driving the growth and 43% of the device usage is spent on gaming, many businesses are starting to embrace gaming as a viable access point to reach and engage their target segments. This has led to an increase in demand in game development services, as well as access to the information on how to capture this market. Also, with the rapid growth of esports, there are major opportunities available for a wide variety of gaming professionals - players and makers alike, and subsequently, ample revenue earning potential for businesses and individuals.

The UK's significance in the mobile gaming world has been largely made possible by the extraordinary homegrown talent, the investment from funding bodies and private investment groups. This, however, has consistently been focused on London and its surrounding areas leaving Northern development hubs underfunded. This has led to a significant talent drain and limited growth outside the capital area.

This equipment will provide the necessary infrastructure and opportunities to establish Cheshire and Warrington as a leading indie gaming hub, which will nurture local talent, help drive business growth and expertise in the local region with an international impact. Supporting Indie developers means that they will be able to publish their games, grow their teams and provide new jobs in the area.

The equipment will also be used to promote local Esports players and host eSports events allowing for connecting with the wider eSports community within the UK and internationally. We have been speaking with the British Esports Association about ways we can use the space to collaborate. Studies have found that engaging in eSports offers many

	<p>benefits in engaging the youth, teaching about teamwork, increasing strategic thinking, helping rehabilitate those with perceptual and cognitive deficits. It can also be used to develop basic maths, language and reading skills. Also, contrary to general myths around gamers, eSports gaming helps develop social skills and 71% of parents report that video games have a positive influence on their child’s life. eSports is also proving to attract a wider female audience showing 6.5% increase to 30.5% in eSports viewership. In mobile gaming, leading competitive casual platform ‘Skillz’, reported their tournaments are often dominated by women with 7 out of 10 top mobile earners being female. In an industry that is crying out for more women to join and a general need to get more women interested in STEM jobs, we have an unrivalled opportunity to build an inclusive hub and capitalise on the growing eSports demand and engage local communities through the social vehicle of gaming.</p> <p>Also, with Cheshire & Warrington LEP priorities focusing in retaining and attracting graduates, boosting digital skills and helping business growth in the region, Gaming Hub with the support from an industry expert Blue Beck aims are aligned to deliver on these goals and promote Cheshire & Warrington as the key area driving gaming growth in the North.</p>
<p>B2: Future LEP Challenges / Opportunities Addressed by Scheme</p>	<p><i>Are there any problems you have identified that will occur in the future that your Scheme is intended to address? (e.g. congestion, road safety, access to services and opportunities etc.).</i> (limit: 1 side of A4)</p> <p>Access to services, digital skills and opportunities - helping to ensure individuals and SMEs have the resources and facilities available to them in order to be able to compete and grow, creating job opportunities within Cheshire and Warrington. By providing this facility, associated outreach and promotion, we can engage potential future professionals already while in education by expanding existing knowledge on career opportunities within gaming. An OFSTED annual report 2018/19 highlighted that young people are being placed on courses with limited job opportunities, whereas skills, such as programming and analytics that are in high demand yet have a limited supply of new, appropriately skilled workers. With this outreach and supported facility, we can bring focus to key digital skills needed through engaging on-site offerings, experience days and events. This will help students make informed choices and also halt talent drain of graduates from the region through increased job opportunities with transferable skills and help facilitate business growth in the region through new gaming businesses and initiatives.</p>
<p>B3: Wider Geographic Impact</p>	<p><i>Please provide information on any potential impacts the project may have outside of Cheshire and Warrington, for instance does it involve partnership working with another LEP or organisation. You should indicate those areas that will directly benefit, areas that will indirectly benefit and those areas that will be impacted adversely.</i> Please provide as Map info layer if possible.</p> <p>As Blue Beck is globally connected organisation with key team members holding 15+ years minimum industry experience, Games Hub will already access this wide network of publishers, organisations and development community as a whole. Any content published through the</p>

	<p>hub will be geared towards international release, thus already making an impact outside the local area.</p> <p>Our partnerships with internationally recognised organisations, including eSports associations will allow us to build further links with other national operatives in this space for collaborations and expanding the offer further. With close proximity to Greater Manchester and major airport hubs, we are easily accessible for our national and international partners.</p>
<p>B4: Alternative Options</p>	<p><i>Please describe what alternative options and funding sources have been considered and why these have been rejected. Include information on the likely implications of the intervention not happening. How have you prioritised the options considered in order to reach an optimal solution?</i></p> <p>The recent launch of Digital Hive opened up a space for us to realise the opportunity to build an indie gaming hub for the area. At the same time, we became aware of the bid opportunity, which would allow us to get to market sooner and in a close cooperation with the local community. We believe that with Blue Beck’s vast heritage in gaming, Games Hub offers an unrivalled opportunity to continue delivering further local success stories in gaming for the region. Securing funding from elsewhere would limit regional focus and local growth commitments, as those would be driven by priorities of the funders. It would also lead to delays, which could result in a similar facility popping up elsewhere thus damaging growth in Cheshire & Warrington region.</p>
<p>B5: Contingency Planning</p>	<p><i>If Local Growth Fund monies are not available for your Scheme, do you have a contingency plan for this Scheme? If your answer is 'no' please comment on the potential impacts of this scheme not being implemented. Include both qualitative and quantitative information on the potential negative impacts likely to occur.</i></p> <p>If LGF monies are not available, this project will be put on hold, while we explore other grants or private funding options. This would lead to delays and the loss of an opportunity to create new opportunities, jobs and community engagement, all while promoting Cheshire and Warrington as a forward-thinking region for digital skills and gaming growth.</p> <p>In 2016 gaming industry employed 47,620 FTEs and contributed £2.87bn to the economy. Our proposal aims to support:</p> <ul style="list-style-type: none"> 176 indie developers engaged in support to develop their products – this in addition to the businesses listed below 74 businesses 1, 230 learners (students / work placements) 76 schools 3 FTEs to run the service <p>Our eSports component will also add to our regional and national reach. Without the LGF funding, we would not be able to launch the service in 2020.</p>

<p>B6: Policy Fit with LTB Policy Objectives</p> <p>(Transport Schemes Only)</p>	<p>For transport schemes please provide a description for how your Scheme will meet the LTB objectives (in no more than 100 words against each objective):</p> <ul style="list-style-type: none">● Reduce congestion and improve the efficiency of the network to support economic growth and regeneration● Reduce the impact of traffic on the environment, reduce carbon emissions and take steps to adapt the transport network to the effects of climate change;● Maintain large transport structures;● Contribute to safe and secure transport and promote types of transport that are beneficial to health;● Improve accessibility to jobs and key services, particularly for disadvantaged communities or groups.
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C: Economic Case

This section should set out the case for the Scheme in supporting and accelerating the economic growth of Cheshire & Warrington. It is important that the benefits provided by the proposed project take account of issues including deadweight and displacement and as such benefits and outputs should be shown as net.

C1: Job and Wealth Creation and Impact on Skills Across Cheshire & Warrington	<p><i>Please indicate (where possible) the scale of direct and indirect employment opportunities being created as a result of implementing this Scheme.</i></p> <p>We are creating a new role which is likely to be a placement or graduate role and have offered to repeat this over 5 years, enhancing the opportunities for at least 3 individuals. As the hub grows, we see further opportunities for roles within the facility and its operation.</p> <p>Indirectly as a result of the hub and network we would estimate that approximately one new role would be created per month, potentially creating an additional 60 opportunities over the 5 year period.</p> <p>On a wider view, we look to engage and upskill local students, schools and businesses to create further employment opportunities. Massive growth in eSports space will offer brand new opportunities through competitions, coaching and events.</p>
C2: Growth in GVA	<p><i>Please provide an estimate of the impact of your Scheme in growth of Gross Value Added. Indicate how this estimate has been arrived at including details of any impact assessment model that you have used.</i></p> <p>Tech sector estimated GVA per person in the region of £91,800. With one new opportunity created per month, this on an £1,101,600 pa. £5,508,000 over 5 years</p>
C3: Productivity Benefits to Business	<p><i>Please describe how the Scheme will improve travel times, accessibility changes to business, unlocking land for development etc.</i></p> <p>N/A</p>
C4: Value for Money	<p><i>Please provide evidence of how your proposal offers value for money. For a transport scheme this can be a BCR figure. Please state numerically. If no BCR available please provide explanation of when it may be available or other justification (including for non-transport schemes an indication of return on investment or unit costs).</i></p> <p>Blue Beck Ltd will provide match funding to the value of £193,418.00. The number of supported individuals, institutions and businesses are listed below:</p>

	<p>176 indie developers engaged in support to develop their products – this in addition to the businesses listed below 74 businesses 1, 230 learners (students / work placements) 76 schools 3 FTEs to run the service</p>																				
C5: Other Outputs	<p><i>Please quantify any other benefits or outputs arising from the project, stating whether these are direct or indirect. You will need to provide evidence of how you have arrived at your benefit and output figures.</i></p> <p>Wider Job creation, upskilling and new opportunities created directly from the roles but also outcomes of success from the creators.</p>																				
	<table border="1"> <thead> <tr> <th data-bbox="475 618 1129 656">Description</th> <th data-bbox="1134 618 1394 656">Total (5 years)</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 663 1129 723">Jobs connected to the intervention (FTE) to run the service</td> <td data-bbox="1134 663 1394 723">3</td> </tr> <tr> <td data-bbox="475 730 1129 768">Businesses Supported/ benefitting</td> <td data-bbox="1134 730 1394 768">74</td> </tr> <tr> <td data-bbox="475 775 1129 835">Number of learners (students / work placements) benefitting</td> <td data-bbox="1134 775 1394 835">1230</td> </tr> <tr> <td data-bbox="475 842 1129 880">Learners benefitting leading to a qualification</td> <td data-bbox="1134 842 1394 880">0</td> </tr> <tr> <td data-bbox="475 887 1129 925">Number of schools and colleges engaged</td> <td data-bbox="1134 887 1394 925">76</td> </tr> <tr> <td data-bbox="475 931 1129 1014">Other – please state: Indie developers engaged in support to develop their products – this in addition to the businesses listed above</td> <td data-bbox="1134 931 1394 1014">176</td> </tr> <tr> <td data-bbox="475 1021 1129 1059">New learning space created m2</td> <td data-bbox="1134 1021 1394 1059">126 m2</td> </tr> <tr> <td data-bbox="475 1066 1129 1104">Private Sector Match Funding</td> <td data-bbox="1134 1066 1394 1104">£193,418.00</td> </tr> <tr> <td data-bbox="475 1111 1129 1126">Public Sector Match Funding</td> <td data-bbox="1134 1111 1394 1126"></td> </tr> </tbody> </table>	Description	Total (5 years)	Jobs connected to the intervention (FTE) to run the service	3	Businesses Supported/ benefitting	74	Number of learners (students / work placements) benefitting	1230	Learners benefitting leading to a qualification	0	Number of schools and colleges engaged	76	Other – please state: Indie developers engaged in support to develop their products – this in addition to the businesses listed above	176	New learning space created m2	126 m2	Private Sector Match Funding	£193,418.00	Public Sector Match Funding	
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	Private Sector Match Funding	£193,418.00																			
Public Sector Match Funding																					

If an Appraisal Summary Table (AST) or other Assessment Summary is available for this Scheme, please append to this Information Form.

D: Financial Case

This section is asking you to set out the financial case for your Scheme.

<p>D1: Scheme Costs</p>	<p>Please provide an approximate estimate of cost and any contributions from the public and private sector. proposed locations</p> <p>Hardware 10 x Gaming (high performance) laptops (Alienware m17) - approx £3k per unit - £30,000 Spec and price would be finalised upon approval, ensuring meets current industry requirements and best value. Large Screen for presenting/training (Samsung 82-inch RU8000) - £1,998 Logitech Meet-Up ConferenceCam Camera - £999 2 Logitech C920 HD Pro Webcams @71.35 - £142.70 1 Gaming PC for presenting and eSport (ALIENWARE AURORA) - £3,100 2 Mini Fanless PCs @£260.95 - £521.90 Mobile phone purchase budget: £15,000 over 2 years. Sony Dev Kit and hardware x 4 - £8,000 Nintendo Switch Dev Kit and hardware x 4 - £8,000 Oculus - VR Headset and related equipment - £3,000 VIVE Pro - VR Headset and related equipment - £18,299 VIVE Pro storage case - £45.99 Computer Peripherals (gaming mice, laptop stands etc) - £1,000 Wacom Cintiq 22 @ £869.99 each x 5 - £4,349.95 iPad Pro - £1,119 iPad Air - £599.00 iPad Mini - £519 Mac Mini @ £1,609 x 4 - £6,436 Mac accessories (mice and keyboards) - £1040</p> <p>Total £104,169.55, fully requested from the bid</p> <p>Software (subscription) 5 years virus checker for 11 machines - £89.99 for 10 plus £44 x3 - £666 Total for 5 years = £666, not requested from the bid</p> <p>Software (one-time purchase) Counter-Strike: Global Offensive: Free Dota 2: Free Hearthstone: Free Call of Duty: Modern Warfare: £34.99 x 10= £349.90 FIFA 20: 54:99 x10 = 549.90 League of Legends: Free - Players very likely to use their own login Dragon Ball FighterZ: £19.99 x10 = £199.90 Age of Empires II: £14.99 x10 = £149.90 Rainbow Six Siege = £25.99 x10 = £169.90 Fortnite: Free - Players very likely to use their own login</p> <p>Total £1,419.5, fully requested from the bid.</p> <p>Furniture 12 folding flat tables (100cm X 60cm) @ £65.99 - £791.88 12 strong folding chairs @£79 - £948 Secure laptop storage - £593 Secure laptop charging case for transport (Loxit Lapbank Laptop Charging Kit) - £181.44 4 Secure Storage unit for peripherals, VR and development kits (Ikea) @ £199 - £798</p>
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	<p>Total £3,312.32, fully requested from the bid</p> <p>Internet High-speed internet £950.4 per annum x 5 = £4,752, not requested from the bid.</p> <p>Total - £114,319.37</p> <p>Funding requested from the bid: £108,901</p>
<p>D2: Promoting Organisation Contributions</p>	<p><i>Please provide a commentary on your commitment to spend. Scheme promoters must demonstrate that they can commit a minimum contribution fund of at least one third of the total scheme cost and any cost increases incurred after Final Approval will be borne in full by the promoting authority.</i></p> <p>Blue Beck will commit to a support package worth £193k, which will include developer support, industry expertise consultancy, software licenses, internet provision and marketing.</p>
<p>D3: Third Party Contributions and Leverage</p>	<p><i>Please provide further details on any third party contributions for your Scheme. This should include evidence to show how any third party contributions are being secured, the level of commitment and when they will become available. Please include contributions of cash and in-kind (e.g. land and buildings). Also provide information on any additional resources that your project will leverage in as a result of the initial investment.</i></p>
<p>D4: Affordability and Financial</p>	<p><i>How resilient is your proposal to changes in financial circumstances? What risk allowance has been applied to the project cost (e.g. QRA / Optimism Bias, Contingency)?</i></p> <p><i>How will cost overruns be dealt with? How will these costs be shared with any third party funding partners?</i></p> <p>We have included some financial contingency within the financials and also there may be some flexibility with regards to scale of the project dependent on funding success i.e. less/more laptops.</p> <p>Future plans i.e. after the 3 year period would be linking in with additional partners to ensure sustainability on the longer term. Any partnerships before this term would allow additional growth and scale.</p> <p>Upon confirmation of the LEP confirmation Blue Beck Ltd will underwrite the full matched cost of the project at £193,418.00</p>
<p>D5: Legacy Benefits</p>	<p><i>Please provide information on any legacy benefits of your Scheme.</i></p> <p>Lasting legacy is that “Cheshire and Warrington will be the place to be for gaming and innovation.”</p> <p>Historically there are several known successes for gaming within Cheshire, including TT Games, Chillingo acquired by EA and others such as Bluebeck, Matmi within the region.</p>

E: Management Case - Delivery

This section is asking you to demonstrate how you intend to assess whether your Scheme is deliverable in the next spending round or at some future date as well as providing assurance that you have the capacity and capability to deliver the project as proposed.

<p>E1: Current Scheme Status</p>	<p><i>Please state scheme status e.g. Is the scheme at the conceptual stage? Has a business case been developed? What if any internal and external approvals does it require? Is the project reliant on external funding? If so, has a bid for funding been submitted/ was it successful?</i></p> <p>Digital Hive, which will provide us with the facilities for the service, is now up and running. We are already working with British eSports association in planning up events once the service is running. We have also built links with local schools and colleges around the Games Hub and organised work placements for students around tech and gaming. We are currently waiting for the LEP funding to come through to allow us to procure the equipment for the facilities and launch the service.</p>														
<p>E2: Project Plan</p>	<p><i>Please provide a scheme programme and phasing showing key activities and milestones.</i></p> <ol style="list-style-type: none"> 1) Receive approval for bid – February 2020 2) Obtain up to date quotes, evaluate and purchase once funds confirmed – March 2020 3) Setup and fit out – March/April 2020 4) Start recruitment process – April 2020 5) Initial pilot – May 2020 <p>Output breakdown: 2019/2020</p> <table border="0"> <tr> <td>Jobs connected to the intervention (FTE) to run the service</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Businesses Supported/ benefitting</td> <td style="text-align: right;">2</td> </tr> <tr> <td>Number of learners (students / work placements) benefitting</td> <td style="text-align: right;">30</td> </tr> <tr> <td>Learners benefitting leading to a qualification</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Number of schools and colleges engaged</td> <td style="text-align: right;">2</td> </tr> <tr> <td>Other – please state: Indie developers engaged to develop their products – this in addition to the businesses listed above</td> <td style="text-align: right;">2</td> </tr> <tr> <td>New learning space created m2</td> <td style="text-align: right;">36 m2</td> </tr> </table>	Jobs connected to the intervention (FTE) to run the service	0	Businesses Supported/ benefitting	2	Number of learners (students / work placements) benefitting	30	Learners benefitting leading to a qualification	0	Number of schools and colleges engaged	2	Other – please state: Indie developers engaged to develop their products – this in addition to the businesses listed above	2	New learning space created m2	36 m2
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	<p>2020/2021</p> <table border="0"> <tr> <td>Jobs connected to the intervention (FTE) to run the service</td> <td>1</td> </tr> <tr> <td>Businesses Supported/ benefitting</td> <td>12</td> </tr> <tr> <td>Number of learners (students / work placements) benefitting</td> <td>300</td> </tr> <tr> <td>Learners benefitting leading to a qualification</td> <td>TBD</td> </tr> <tr> <td>Number of schools and colleges engaged</td> <td>24</td> </tr> <tr> <td>Other – please state: Indie developers engaged to develop their products – this in addition to the businesses listed above</td> <td>24</td> </tr> <tr> <td>New learning space created m2</td> <td>90 m2</td> </tr> </table> <p>Future</p> <table border="0"> <tr> <td>Jobs connected to the intervention (FTE) to run the service</td> <td>2</td> </tr> <tr> <td>Businesses Supported/ benefitting</td> <td>60</td> </tr> <tr> <td>Number of learners (students / work placements) benefitting</td> <td>900</td> </tr> <tr> <td>Learners benefitting leading to a qualification</td> <td>TBD</td> </tr> <tr> <td>Number of schools and colleges engaged</td> <td>50</td> </tr> <tr> <td>Other – please state: Indie developers engaged to develop their products – this in addition to the businesses listed above</td> <td>150</td> </tr> </table>	Jobs connected to the intervention (FTE) to run the service	1	Businesses Supported/ benefitting	12	Number of learners (students / work placements) benefitting	300	Learners benefitting leading to a qualification	TBD	Number of schools and colleges engaged	24	Other – please state: Indie developers engaged to develop their products – this in addition to the businesses listed above	24	New learning space created m2	90 m2	Jobs connected to the intervention (FTE) to run the service	2	Businesses Supported/ benefitting	60	Number of learners (students / work placements) benefitting	900	Learners benefitting leading to a qualification	TBD	Number of schools and colleges engaged	50	Other – please state: Indie developers engaged to develop their products – this in addition to the businesses listed above	150
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<p>E3: Other Partners Involved in Scheme Delivery</p>	<p><i>Please provide details of the partnership bodies (if any) you plan to work with in the design and delivery of the proposed scheme. This should include a short description of the role and responsibilities of the partnership bodies.</i></p> <p>Universities (TBC) Schools and Colleges, including Priestley College. We were involved in the consultation of the new T-levels with Priestley College, where gaming is at the forefront of requested courses and the new software development course is being tailored to reflect these changing digital needs.</p> <p><i>Please provide specific information on any private sector partners.</i></p> <p>Digital Hive is a new co-operative working space by the founders of Blue Beck. Digital Hive will provide the facilities for running the gaming hub.</p>																										
<p>E4: Operational Issues</p>	<p><i>Please provide the proposed project management structure:</i></p> <p>There will be one central point of contact for project management, and this person will be responsible for the following:</p> <ul style="list-style-type: none"> - Keeping track of project progress and budget - Production of weekly status reports to management team - Monthly production of financial reports to ensure budget stays on track 																										

	<p>Reporting to the Management lead, they will keep track of the project plan and tasks within Jira, running the project in an Agile way.</p>
<p>E5: Scheme Acceptability</p>	<p><i>Please comment on any community support for this Scheme.</i></p> <p>There are a number of initiatives that are keen to support growth and opportunities within the digital sector. This follows a continuation from Weave, Skills and growth, C&W and education providers are keen to link in with the growing digital economy and growth in the games sector, creating new opportunities and growth within the region. We have been engaging with local schools and colleges through careers fair and Pledge events to collaborate on our proposal to provide experience days and work placements around gaming and tech. Our careers fair attendance delivered a lot of interested students who would also be interested in participating and volunteering in gaming events and activities within the hub. We have also had a number of follow-ups with various educational institutions, such as Macclesfield College, Kings School for example, parents and students alike.</p> <p><i>Has public consultation on the Scheme demonstrated its public acceptability?</i></p> <p>Yes.</p> <p><i>Is the scheme likely to invoke objections or involves damage to the local environment? For example use of greenbelt land, destruction of heritage of cultural landscape including listed buildings, or development in an area with special landscape designations e.g. SSSI, AONB</i></p> <p>No</p>
<p>E6: General Risk to Scheme Delivery</p>	<p><i>Please describe the principal risks (and risk mitigation) associated with your Scheme, including:</i></p> <ul style="list-style-type: none"> ● <i>Planning e.g. likelihood of a public inquiry</i> ● <i>Political</i> ● <i>Commercial</i> ● <i>Land acquisition</i> ● <i>Legislative – if additional legislative powers are required to deliver the Scheme, please state. Have legislative powers being awarded (yes/no)</i> ● <i>Procurement</i> ● <i>Policy</i> ● <i>Management</i> <p><i>How will any identified risks be managed between Scheme delivery partners?</i></p> <p>The key risks will be management and rollout, which we are addressing by assigning a management lead for the project and a role for day to day housekeeping and reporting.</p>

	<p>The service will also need to generate revenue to ensure viability and we have multiple routes to secure revenue for providing the service.</p>
E7: Monitoring and Evaluation	<p><i>Please indicate proposed arrangements for monitoring progress of the project and post project evaluation. The LEP would expect such evaluations to be made publicly available as part of its transparency and accountability agenda.</i></p> <p>We will provide regular progress updates following the LEP process guidelines.</p>

F: Commercial Case This section outlines the proposed deal in relation to the preferred option outlined in the economic case.

<p>F1: Products and Services</p>	<p>What goods and or services are being procured? E.g. are you going to procure a building contractor and project management support?</p> <p>Building and facilities are already in place, so we will be procuring hardware and furniture.</p>
<p>F2: Procurement</p>	<p>Please state how the project will be procured</p> <p>Requirements have been listed and revised to ensure that up to date specs are listed and equipment sourced in line of agreed specifications. (i.e. technical spec clearly defined before laptops purchased with where possible 3 quotes obtained).</p>
<p>F3: Value for Money</p>	<p>How will you ensure value for money?</p> <p>We have listed and reviewed all specs to ensure that they match with the needs of the gamers and developers, all while securing 3 quotes for larger machines to ensure cost-efficient purchasing.</p> <p>Blue Beck Ltd will provide match funding to the value of £193,418.00. The number of supported individuals, institutions and businesses are listed below: 176 indie developers engaged in support to develop their products – this in addition to the businesses listed below 74 businesses 1,230 learners (students / work placements) 76 schools 3 FTEs to run the service</p>

G: Evidence and Supporting Information

<p>G1: Evidence</p>	<p><i>Please list here and provide copies of all technical reports documenting the evidence base for the Scheme and the Scheme's performance</i></p> <p>This and related KPIs will be established and agreed upon successful bid completion.</p>
<p>G2: Supporting Information</p>	<p><i>Please include any additional facts which may assist the Local Enterprise Partnership to assess this Scheme against strategic fit and deliverability.</i></p>



Local Growth Fund BCR Assessment

Report for Cheshire and Warrington LEP
January 2020

Direct enquiries regarding this report should be submitted to:

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1. Introduction

This short report has been compiled in response to a request from Cheshire and Warrington LEP (CWLEP) to prepare benefit costs assessments (BCR) of a number of recently approved projects which have been awarded funding through the Local Growth Fund (LGF).

The calculations are high level and based only on the information supplied in the business cases, copies of which were passed to EKOS. Where this is absent we will make appropriate and evidenced assumptions.

The analysis has assumed¹ an additionality factor of 0.5 across all projects albeit individuals ones will vary from this average.

The costs are based only on the LGF inputs and the benefits are based on a calculation of increased earnings as a proxy for GVA, although this will tend to underestimate². In line with previous practice we have allowed a persistence factor of three years but not made an assessment of net values and have assumed they all occur at the same time. It is important to note that standard economic BCR calculations is based around an uplift in GVA which is generated through either an increase in job numbers/ earning and/or productivity improvements.

Where projects can easily demonstrate an uplift in job numbers the calculations are quite simple. However, projects such as renewable energy ones often have low(ish) direct employment outcomes but wider social and environmental ones (such as carbon reduction) which are not full captured in a traditional approach.

Finally it should be noted that we have NOT produced any detailed BCR assessments but where required provided a rough and ready overview.

1.1 Sources of Data and Evidence Assumptions

In addition to the information provided by CWLEP, we have used a range of data sources that are available and made allowances and assumptions where the data is absent from the submission.

¹ Based on EKOS previous experience and the previous RDA evaluation study.

² Total GVA is the sum of post-tax profits and wages generated from the direct, indirect and induced impacts

Jobs Created

Where employment (jobs) data are available we have used the numbers provided and not sought to interrogate further.

ONS data [Office for National Statistics, Gross Value Added (Balanced) at NUTS3 by SIC07 industry at current basic prices - 2018] has identified average Annual GVA per employee excluding London as follows.

- Urban with city and town £50,900; and
- Urban with significant rural £52,000

However, data specific to Cheshire³ indicates GVA per employee in 2018 of £69,000

It must be noted that these are “average” across all industry and will be greater in higher output industries, although additional details are not available and we therefore propose to use the a figure of £62,000 per annum GVA per employee.

Skills and Training

London Economics were commissioned by the Department for Business Innovation and Skills⁴ to undertake an assessment of the impact of training on industry-level and firm-level productivity and wages.

At industry level the analysis suggests that raising overall training intensity by 1% is associated with an increase of around 0.36% on the wages of the trainee.

According to the Annual Survey of Hours and Earnings (ASHE) median full time wages in Cheshire and Warrington were £29,500 in 2018.

On that basis, raising training intensity by 1% will result in increased wages of £106 per annum or if by 10% it would rise by £1,060 per annum. However, in order to reflect different job types we have developed a range of coefficients based on Labour Force Survey earning data. This shows that for example professional occupations will earn 1.3 times average salary.

³ ONS GVA per hour worked (£); NUTS 2 and NUTS 3 sub regions based on full time and 37 hour week
⁴ BIS RESEARCH REPORT NUMBER 177 Estimating the impact of publicly funded training on industry and firm-level outcomes MAY 2016

Occupation	Salary Co-efficient
Managers, directors & senior officials	1.4
Professional occupations	1.3
Associate professional & technical	1.1
Administrative & secretarial	0.7
Skilled trades	0.8
Caring, leisure & other services	0.6
Sales & customer services	0.6
Process, plant & machine operatives	0.8
Elementary occupations	0.6

Business Assists

Data⁵ produced for the former RDA (NWDA) highlights that cost per net new job is £37,000 for a business programme and £18,000 for a skills assist. If this data is uprated using CPI deflator to 2020 (ie by 10 years) the equivalent figures are £43,000 and £21,000.

There is no further data available to use to inform impact assessment.

Other Assumptions

As a detailed appraisal is outside the scope of this analysis we have assumed the following:

- discount co-efficients of between 50 and 80% to reflect time, risk and additionality factors (unknown at this point).
- where it is clear that some outputs are not required to obtain GVA figures these have been discounted;
- we have assumed a 10 year persistence factor;
- where appropriate we have commented on how data realism.

⁵ Department for Business Enterprise and Regulatory Reform - Impact of RDA spending 2009. but uprated as required

2. Project Assessments

2.1 Crewe Town Centre Network

From the application: This project will deliver a smart energy network in Crewe Town Centre, supporting the strategic priorities of the C&W LEP. The project will create a core micro-grid for heat and energy in Crewe, connected initially to civic buildings but capable of ready expansion to residential and business premises as the town centre regeneration gains pace. Buildings both new and existing will be supplied with resilient, low carbon heat, hot water and power from a core energy centre. The project will demonstrate future fuel infrastructure in an urban context, demonstrating that Cheshire is at the forefront of the Clean Growth transformation.

The results show a positive social value impact, considering jobs supported, employment skills, and reputational benefits, of circa £95,000 (net present value) discounted over the 40-year project period.

Project Data

Total Costs: £ 2,972,268

LEP Investment: £700,000

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.

Alternative Assessment. 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 have set out a very “rough and ready” alternative calculation below.

Analysis by ONS⁶ 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 £800,000⁷

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 project⁸. GVA per employee in the renewable sector is estimated at around £110,000 per employee⁹ 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.

2.2 Vanguard

From the application: This Green Hydrogen for Transport project is a first of its kind for the UK. We will install a green hydrogen generation and refuelling capability at the Cheshire East refuse truck depot in Middlewich.

A large solar PV array will be installed to fuel an electrolyser operating on grey water recovered on-site. This will produce green hydrogen to be supplied to a fuelling station. Three vehicles including two refuse trucks owned by Cheshire East and one vehicle owned by Storengy will be converted to run on hydrogen to give green transport capability.

Project Data

Total Costs: £1,035,000

LEP Investment: £345,000

The overall employment impact is calculated to be a net gain of 58 jobs over the lifetime of the project, 8 per annum¹⁰.

⁶ 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

⁷ Construction industry: statistics and policy: House of Commons 2019

⁸ ONS Low Carbon and Renewable Energy Economy Survey, indirect and total activity estimates 2017

⁹ The Size And Performance Of The UK Low Carbon Economy: BIS 2015 + UK deflator to 2020 prices

¹⁰ This is based upon a calculation using a tool developed by Innovas for Cheshire East Skills and Growth

The business case estimates that the project will deliver a net additional GVA over its lifetime of £4,961,565, or £717,335 per annum utilising the same methodology above.

On that basis the BCR would be 1:14 for benefits to all funding and **1:5 BCR to LEP costs** - both within acceptable limits for investment.

2.3 Protos Plastics to Hydrogen Facility

From the application. The scheme will enable distributed hydrogen for the hydrogen network whilst generating electricity and heat through destruction of unrecyclable plastics. 35tpd unrecyclable plastics converted to electricity and road fuel hydrogen. Medium term this plastic comes from Protos MRF/PRF and PET recycling facility.

Feedstock is fed into a high temperature rotating kiln, operating conditions are controlled to control syngas composition. Syngas is cleaned, a small proportion heats the kiln, the balance passes through a PSA (pressure swing adsorption) to separate hydrogen, tail gas powers gas engine generators. Heat recovered raises process steam and 1.2MWt for export. Hydrogen would go to Protos filling stations. Electricity will be exported to the Protos local grid as base load. The plant is CCR ready and Peel are investigating a mineralisation scheme.

Project Data

Total Costs: £19 million

LEP Investment: £1.25 million

The Proposed Development would have the potential to provide direct permanent employment for approximately 14 full time workers. In addition, there would also be construction employment during the development of the site. At peak the development could employ up to 50 construction operatives on site, with the entire fabrication and construction period supporting over 100 temporary jobs.

GVA has been calculated from a Commercial In Confidence Model (not provided or reviewed/validated by EKOS) which indicates that in 2025 the full plant is operational and that based on net profit before tax and after depreciation of £1,312,850, depreciation £957,778 and employment costs of £557,000 then total GVA would be £2,827,628 - for that year only.

If we assumed a “conservative multiplier of 10 then total GVA would be around £28 million which provides a BCR for LEP investment of **1: 22** or 1: 1.5 for total costs.

2.4 Cheshire’s Energy Innovation District

From application: The installation of monitoring equipment into all 673 Low Voltage (LV) substations within the Cheshire Energy Innovation District (EID). This will serve to collect data to both improve the reliability of the power network, and provide the visibility to facilitate active consumer engagement to:

- Locate spatial and temporal capacity constraints, to inform energy generation and storage investors.
- Support energy consumers on opportunities for providing demand side measures, e.g. reduced EV charging or deferred space heating.
- Facilitate the creation of a local energy market for trading variable loads with variable generation within the EID.

Project Data

Total Costs: £1,650,168

LEP Investment: £825,000

The application claims that the number of jobs created by this project has been calculated as 53 from 2020 to 2040. Note - it is not clear that this is a cumulative figure or annual one.

The gross value added (GVA) per annum by this project has been calculated as £4,062,500 which appears reasonable given our previously highlighted GVA per employee data.

On the basis of the data provided this results in a **BCR of 1: 4.9** for LEP investment or 1: 2.5 for all investment.

It should be noted that we have not assessed or interrogated the calculations albeit they would appear to be credible.

2.5 NetZero Cheshire

From application: NetZero Cheshire will deliver the world's first live, fully operational demonstration of an integrated net carbon-zero smart energy building, actively complemented by energy storage and an electric vehicle charging system. This demonstration site for businesses in Cheshire and Warrington will offer quarterly open days until 2025, exhibiting a live, visible display of all operating elements. A downloadable 'Installation and Operating Manual' will be prepared to guide future procurers support in delivering similar systems in the sub-region, and a website, to be owned and operated by the Cheshire Energy Hub, will provide a portal for local suppliers to promote their services.

Project Data

Total Costs: £753,000

LEP Investment: £335,000

The application states that the direct employment opportunities created during the development of the Capenhurst Technology Park demonstration site were calculated as 2 jobs. In addition, the number of jobs indirectly facilitated during the implementation of this scheme from 2020 until 2040 in the Cheshire and Warrington area was calculated as 195 jobs.

The total cost of converting all Cheshire business units of varying sizes to net-zero solutions was calculated to be around £2,525,000,000. The GVA per year if net-zero carbon is achieved by 2050 (in 30 years = $2524972000/30$) by the gross value generated per year if NetZero Cheshire achieves net-zero carbon by 2040 (in 20 years = $2524972000/20$) which is equal to a GVA of £42,082,862. The BCR of the NetZero Cheshire project was calculated as the total GVA of the project (£42,082,862) divided by the LEP contribution (£335,000) = 125.6.

While we have not reviewed any of the data or appendices referred to, we believe that the assumption being made can, at best be seen as "heroic" - ie all businesses will be net zero by 2050. If we only consider the assessed direct jobs (2) and based on a 20 year persistence this provides 40 years of GVA at £110,00 per employee or £4.4 million GVA (Not discounted). Even if we discount 50% to reflect time and additionality factors the GVA of £2.2 million still represents ad **BCR of 1: 6.4** which is still within target parameters.

2.6 Astra Zeneca

From application: Investment in a STEM Centre at AstraZeneca Macclesfield to allow employees 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. The technology will form part of a Digital Transformation taking place at AstraZeneca Macclesfield that can be experienced by employees, visitors, local schools and other local partners and help up skill our existing workforce and showcase our strengths to the local community. The technology will include virtual reality, augmented reality, projection mapping, 3D printing and modelling and holograms.

Project Data

Total Costs: £402,420

LEP Investment: £268,420

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)	1	2	-	3
Businesses Supported/ benefitting	8	20	-	28
Learners benefitting leading to qualification	5	20	-	25
No of schools and colleges engaged	10	20		30
No of learners benefitting	40	150	662	752

In considering the BCR we have assumed the project is sustainable for 10 years and only considered the direct jobs.

This would result in 30 person years of GVA and if we assume an average GVA of £65,000¹¹ (as we do not know the job details) this results in total (non-discounted GVA of £1.95 million. If we apply a 50% discounting factor this produces a **BCR of 1: 3.6** which takes no account of any GVA benefits from the skills elements.

¹¹ based on regional average uprated to professional job

2.7 High Performance Private Cloud

From application: 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. 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 mobile unit will be used to demonstrate and help users to explore data visualisation, HPC and/or cyber security issues. It will take the form of a van that will be fitted out with benching and equipment, with room for c.4-5 people to work inside.

Project Data

Total Costs: £1,968,308

LEP Investment: £893,005

The application has provided the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)				
Businesses Supported/ benefitting	30	50	140	220
No of learners benefitting	0	3,000	9,000	12,000
No of secondary schools engaged		3	10	13

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 2¹² this provides a **BCR of 1: 2.9** based on LEP investment.

¹² See for example Scottish Business Statistics 2019

2.8 Specialist equipment to transform digital/AM Skills

From application: 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.

Project Data

Total Costs: £551,219

LEP Investment: £521,615

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)	0	Cannot project till end academic year		
Businesses Supported/ benefitting	10	30	40	80
Learners benefitting leading to a qualification	30	230	400	660
No of schools and colleges engaged	5	15	18	38
No of learners benefitting	585	770	850	2,205

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.

2.9 21st Century Skills Lab

From application: 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.

Project Data

Total Costs: £49,987

LEP Investment: £19,987

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)				
Businesses Supported/ benefitting	1	3	18	22
Learners benefitting leading to a qualification				
No of schools and colleges engaged				
No of learners benefitting	75	90	540	705

Although not identified it is likely that there will be employment implications - as there will be a need for teaching staff to utilise the new equipment. We have assumed that this will require some additional inputs and suggest an allowance of 0.5 FTE.

That would result in 10 years' worth of GVA at £65,000 per annum (see earlier notes) which would produce £325,000 (undiscounted).

If we include the impact on earnings of a 1% increase this results in additional (cumulative) annual earnings of £74,000 or £150,000 GVA over the 10 year period.

If again we allow a 50% discount factor this produces a **BCR of 1: 23** based on LEP investment or a BCR of 1: 9.5 based on all costs.

Note this excludes all benefits accruing directly to supported businesses.

2.10 Developing Skills and Career Pathways

From application: 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.

Project Data

Total Costs: £44,171

LEP Investment: £18,235

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)	0		0	
Businesses Supported/ benefitting	5	20	75	100
Learners benefitting leading to a qualification	0	12	48	60
No of schools and colleges engaged				
No of learners benefitting	50	1,500	5,950	7,500

Although not identified it is likely that there will be employment implications - as there will be a need for minimal new teaching staff to utilise the new equipment. We have assumed that this will require some additional inputs and suggest an allowance of 0.25 FTE.

That would result in 10 years' worth of GVA at £65,000 per annum (see earlier notes) which would produce £162,000 (undiscounted).

If we include the impact on earnings of a 1% increase based on numbers benefitting this results in additional (cumulative) annual earnings of £795,000 or £1.55 million in GVA over the 10 year period.

If again we allow a 50% discount factor this produces a **BCR of 1: 19** based on all costs which will be much higher if we only account for LEP investment.

Note this excludes all benefits accruing directly to supported businesses or impact of new qualifications.

2.11 Blue Beck Ltd

From application: Equipment and resources to enable an independent (indie) gamer to be able to publish their work on international platforms including but not limited to PlayStation, Xbox, Nintendo and upcoming VR/AR platforms such as Oculus. These resources and facilities will also be used for eSports events, student experience days, work experience and placements for schools and colleges in the region to learn more about the industry and technology. These resources will include physical hardware, connectivity and access to relevant industry expertise and support within a relevant environment. Resources are largely mobile and can be taken out to school and library events.

Project Data

Total Costs: £302,319

LEP Investment: £108,901

The application highlights the following outputs.

Description	Five Years
Jobs connected to the intervention (FTE) to run the service	3
Businesses Supported/ benefitting	74
Number of learners (students / work placements) benefitting	1230
Learners benefitting leading to a qualification	0

We must allow for a discount factor to reflect timing, risk and additionality and we suggest 60% co-efficient to allow for the five year timeframe.

The applicant states that GVA per head is £91,800 = £165,000 per annum (discounted) and if we allow for 5 year persistence (based on the application) this will produce GVA of £829,000.

This produces a **BCR of 1: 7.7** based on the LEP investment and excluding any benefits from the skills outputs.

2.12 Controlled Environment Food Production Centre

From application: 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/aerophonic growing systems, robotics, automated environmental and nutrient control, and biosecurity will allow improvement in food production efficiency and sustainability.

Project Data

Total Costs: £450,000

LEP Investment: £340,000

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)	0	0	30	30
Businesses Supported/ benefitting	0	0	250	250
Learners benefitting leading to a qualification	0	0	100	100
No of learners benefitting	0	0	350	2,225

As 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 80% co-efficient.

The 30 jobs with an 80% discount factor and 10 year persistence would result in a GVA figure of £3.9 million over the long term.

This produces a **BCR of 1: 11** based on the LEP investment and 1: 9 based on all costs excluding any benefits from the skills outputs.

2.13 AMET Centres

From application: 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.

Project Data

Total Costs: £1,369,000

LEP Investment: £656,000

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)		1	2	3
Apprenticeships created (sub-set of new learners assisted below)		40	160	200
No of learners benefitting (including new learners on courses below)			>500	<500
Number of New Learners Assisted Actual (in courses leading to a full qualification, including apprenticeships)		62	248	310
Businesses Supported/ benefitting		12	48	60

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.,

2.14 Digital and Advanced Engineering skills

From application: 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. This will eliminate access barriers for smaller organisations and schools .

Project Data

Total Costs: £2,722,000

LEP Investment: £914,000

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)	5	5	15	25
Businesses Supported/ benefitting	15	65	245	315
Business Learners benefiting leading to a qualification	5	20	90	115
School and College Learners benefiting leading to a qualification	2	10	38	50
No of school / college learners benefitting	50	1,400	5,550	7,000
Total No of learners benefiting	57	1,430	5,678	7,165

The more readily quantifiable outputs are jobs and new qualifications.

As the benefits are predicated over time, we have allowed for a discount factor to reflect timing, risk and additionality and we suggest a 50% co-efficient.

The 25 jobs with a 50% discount factor and 10 year persistence would result in a GVA figure of £8.1 million over the long term. If we allow for a 10% salary uplift from new qualifications again with a 50% discount this produces a further £866,000 in GVA.

In total, this produces a **BCR of 1: 9.8** based on the LEP investment and 1: 3.3 based on all costs excluding any wider benefits from the skills outputs.

2.15 LiveWire Warrington CIC

From application: 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.

Project Data

Total Costs: £38,000

LEP Investment: £20,000

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)		10	30	40
Businesses Supported/ benefitting		50	250	300
No of learners benefitting	100	1,000	5,900	7,000

It is not clear where the jobs number come from and we are tempted to ignore at this stage as it would result in an “unbelievable” BCR.

The more readily quantifiable outputs are therefore learners benefitting, although not all of them are likely to be in employment but where the support may help them get a job.

As the benefits are predicated over a longer time, we have allowed for a discount factor to reflect timing, risk and additionality and we suggest a 60% co-efficient.

We have assumed that of those benefitting no more than 10% will have a consequential uplift in salary which would result in an uplift of around £735,000 over the longer term.

In total, this produces a **BCR of 1: 36** based on the LEP investment and 1: 19 based on all costs excluding any wider benefits from jobs impacts, although we again would highlight our scepticism.

2.16 Reaseheath Automatic Milking Dairy Project

From application: The project is 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.

Project Data

Total Costs: £736,000

LEP Investment: £656,000

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)	0	0	50	50
Businesses Supported/ benefitting	0	0	200	200
Learners benefitting leading to a qualification	0	0	50	50
All learners benefitting	0	0	350	2225

As 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 80% coefficient.

The 50 jobs with an 80% discount factor and 10 year persistence would result in a GVA figure of £6.5 million over the long term. Based on the employment impacts we can safely discount the other ones.

In total, this produces a **BCR of 1: 10** based on the LEP investment and 1: 9 based on all costs excluding any wider benefits from skills impacts.

2.17 Community Digital Learning Hubs

From application: Two bids of £19,550 each 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..

Project Data

Total Costs: £52,525

LEP Investment: £39,100

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)				
Businesses Supported/ benefitting				
Learners benefitting leading to a qualification	0	30	105	135
No of learners benefitting	40	80	280	400

The benefits are all predicated to be skills related. We have allowed for a 60% discount rate as most benefits are well in the future.

We have also assumed that only 505 of general beneficiaries are in employment.

Qualifications - £570,000 GVA

General Benefits - £84,000 GVA

In total, this produces a **BCR of 1: 16** based on the LEP investment and 1: 12 based on all costs excluding any wider benefits from skills impacts.

2.18 IOTA

From Application: A 21st Century Skills Lab, open to all. With hands-on workshops, in Warrington’s Pyramid, IOTA will inspire and train participants to increase their STEM confidence and raise aspirations across new technology and advanced engineering.

Centrally located for onsite learning and the distribution of portable resources to ensure the greatest possible public access; IOTA’s highly qualified trainers will utilise specialist equipment manufactured by the world’s leading education brands.

Delivering programme streams based on industry specific and curriculum-based needs; IOTA will address the challenge of our localised skills gaps and the contention that “You can’t be, what you can’t see”.

Project Data

Total Costs: £142,560

LEP Investment: £142,560

We would note that the above is unlikely as the project will require property from which to operate and staff to run the training. The leverage figures should therefore be provided.

The application states that the project will deliver GVA in line with Made Smarter’s Recommendation - although it does not provide a specific figure. They have also identified productivity gains but again not quantified. They “project free of charge training sessions will equate to a value of £53,750 per year meaning the Local Growth Fund investment will be entirely ‘repaid’ via delivery within four years”. Again no data or methodology is provided. They have highlighted engagement as follows but this data does not work its way through to the output tables.

User Type	Participations	Repeat Usage	Individuals Engaged
Education	5,500	Twice	2,750
Business	3,000	Three times	1,000
Adult Education	1,500	Five times	300
Totals	10,000		4,050

The application highlights the following outputs.

Description	2019/20	2020/21	Future	Total
Jobs connected to the intervention (FTE)	1	5	31	37
Businesses Supported/ benefitting	0	70	520	590
Number of New Learners Assisted	0	650	1,505	1,505
No of learners benefitting	0	2,120	5,016	5,016

No data on jobs creation or how assessed.

We have allowed for a 80% discount rate as most benefits are well in the future. Total annual GVA from employment (37 jobs) would be £2.3 million but discounted to £460,000. With a 10 year persistence factor this would be £4.6 million (already discounted)

As we cannot make sense of the skills data we have chosen to ignore it at this time and unless clarification is provided.

In total, this produces a **BCR of 1: 32** based on the stated jobs and the LEP investment only.