



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

Wednesday 27th February 2019 1.30-3.30

Wyvern House

Attending: Ged Barlow, John Downes, Paul Goodwin
Chris Hindley, Stewart Brown, Tim Smith, Rachel Brosnahan

Apologies: Philip Cox, Lisa Harris

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 19 th December 2018	Chair	5 mins
	(ii) Actions Arising	Chair	5 mins
4	Poynton Relief Road	Chris Hindle	10 mins presentation 10 mins questions
5	Centre Park Link - confirm final approval	RB	5mins
6	Mid-term evaluation	RB	10 mins
7	CLG q3 report	RB	5 mins
8	Programme Manager update including: Risk reporting Project progress summary report	RB	15 mins
9	ESIF update	TS	10 Mins
10	AOB	All	5 mins
Dates of next meetings, time 1.30 pm and Venue Wyvern House, unless otherwise specified:			
20 th March 2019	Improving Winsford Industrial Land FBC Crewe High Speed Ready Heart FBC Tarvin Road Full Business Case Approval		
17 th April 2019			
15 th May 2019	Omega Local Highways Scheme OBC approval		
19 th June 2019			

	17 th July 2019	Ellesmere Port One Public Estate Final approval
	21 st August 2019	
	18 th September 2019	WBC sustainable Travel Projects CEC Sustainable Travel Projects
	16 th October 2019	
	20 th November 2019	
	18 th December 2019	



**Minutes of the Cheshire and Warrington Local Enterprise Partnership
Performance and Investment Committee Meeting
held on 19 December 2018 at Wyvern House**

Present: Chris Hindley (Vice Chair)
Paul Goodwin (Deputy S.151 Officer)
Stewart Brown (WBC)

In attendance: Philip Cox (C&W LEP)
Lindsay Macdonald (WBC)
Perran Baragwanath (CWaC)
Lisa Harris (CWaC)
Adam Hopkins (Public Sector Plc)
Andrew Murphy (Public Sector Plc)
Ben Pretty (Cushman & Wakefield)

Apologies: Ged Barlow (Chair),
Alex Thompson (S.151 Officer)
John Downes
Rachel Brosnahan

Item No.	Item	To be Actioned by	By When
1.	Welcome, Introductions and Apologies		
2	Conflicts of Interest No member of the Committee declared a conflict of interest arising from any of the issues on the agenda.		
4	Minutes from the last meeting: These were approved as an accurate record		
5	Actions/Matters Arising from the Meeting of 21 November Philip Cox informed the Committee of some organisational changes in the LEP team. To allow Mark Livesey to focus on his new role with Marketing Cheshire and the LEP's Private Sector Engagement Programme, Philip will take a senior level responsibility for LEP Governance and Assurance, including the P&I Committee. These responsibilities will pass to the new Finance Director once they are in post. Rachel Brosnahan will continue to support the Committee on a day-to-day basis. Chris Hindley expressed the Committee's thanks and appreciation for the support that Rachel provides.		

6	<p>Warrington Centre Park Link</p> <p>Lindsay Macdonald gave a presentation summarising the business case for the Centre Park Link for which WBC are seeking full business case approval for LEP funding (attached).</p> <p>In discussion, the following points were made:</p> <ul style="list-style-type: none"> • The formal contingency for risk is only 5% of the total value of the project. However, this ignores the risk allowance already built into the contractor's price. • Members of the Committee asked how WBC are capturing the increase in the value of the site arising from the construction of the new road. Lindsay explained that Maro Developments are making a contribution to the cost of the scheme including paying for site remediation, but promised to send committee members a further note. <p>Summarising the discussion, Chris Hindley said that those present agreed that the scheme has a strong business case and were minded to approve it. However, as the meeting was not quorate, Chris proposed that other members of the Committee be invited to give their agreement by email.</p>	All	
7	<p>Winsford Industrial Estate Update</p> <p>Perran Baragwanath and members of his team updated the Committee on progress with the Winsford Industrial Estate project being funded by the LEP. There had been some delays at planning stage because an unused COMAH Zone had come to light. Planning consent is now in place and CWaC hoped that some of the delays could be clawed back during the construction stage. Tenders for the construction contract would be invited from 7 January with a tender return date of end of January. This would allow the Full Business Case to be prepared by the end of March.</p>		
8	<p>C&W European Social and Investment Funds Programme</p> <p>Philip Cox updated the Committee on progress with the European Social and Investment Funds programme. He said that it had been agreed that interest from the Evergreen 1 property loan fund could be used to cover the costs of setting up an Evergreen 2 facility for C&W and that this would now be progressed. By contrast, following informal consultation with the Strategy Committee, the ERDF bid to extend the Growth Hub was being withdrawn. This was because it had become clear that most of the extra funds available from ERDF would have to be spent on additional administration to satisfy the needs of the ERDF programme.</p>		
9	<p>AOB</p> <p>Next meeting: 16 January 2019</p>		



Cheshire & Warrington Local Enterprise Partnership Performance and Investment Committee

Title: Local Growth Fund – Poynton Relief Road

Agenda item: 4

Prepared by: Rachel Brosnahan, Head of Programmes

Date of Meeting: 27th February 2019

1. Purpose

- 1.1. To seek conditional approval from the P&I Committee to provide a grant to Cheshire East Council of £5.6m towards the £50.7m costs of the Poynton Relief Road project.

2. Recommendations / Actions / Decisions Required:

2.1. The Committee is asked to:

- Note the contents of the Business Case and Independent Assurance review;
- Authorise the LEP executive to issue a Conditional offer letter for £5.6m of Local Growth grant funding towards the delivery of the Poynton Relief Road project.
- Request confirmation of the funding package and that CEC will meet any increase in costs
- Request confirmation of the indirect benefits of the scheme. E.g. Jobs created, new homes etc.
- Authorise the LEP to release 90% of the grant (£5.04m) to be claimed by CEC against the development costs to date of £6.9m

3. Scheme Details

3.1. Poynton Relief Road is a proposed 3km single carriageway road scheme to the west of Poynton with the primary aims of relieving village centre congestion and regenerating the north of the borough. A 3.5 meter wide combined cycle and footway will run beside the length of the route and the scheme will also include two overbridge crossings for use by walkers, cyclists and farm vehicles and junction improvements on the A523 London Road to the south of the relief road.

The scheme is a longstanding part of the wider South East Manchester Multi Modal Strategy (SEMMMS).

The scheme has been developed in conjunction with Stockport Council and will link into the A6 Manchester Airport Relief Road scheme which completed in 2018.

4. Scheme objectives:

The objectives of the scheme are:

- to support the economic, physical and social regeneration of Poynton and the north of the area, in particular Macclesfield
- transfer Heavy Goods Vehicles (HGVs) onto more appropriate roads on the wider network and relieve existing traffic congestion in Poynton

- deliver a range of complementary measures on the A523 corridor to Macclesfield that address Road Safety, Congestion and Mitigation of the wider environmental impact of traffic
- boost business integration and productivity by improving the efficiency and reliability of the highway network, reducing the conflict between local and through traffic, by the improved route for freight and business travel
- allow improvements to the highway network for public transport, walking and cycling

5. Progress to date

CEC have spent £5m developing the design of project, carrying out site investigations, consulting with stakeholders and developing the planning application, business case and Compulsory Purchase Order (CPO).

A Public Inquiry into the CPO the and Side Road Orders (SRO) was held in November. A total of one Statutory and two Non-Statutory Objectors made representations at the Inquiry.

It is expected that the Public Inquiry Inspector will have completed his report in February 2019. This report will be submitted to the Secretary of State (SoS) with a recommendation as to whether confirm the Orders, confirm the Orders with modifications or reject the making of the Orders.

Procurement of a contractor to deliver the scheme commenced in autumn 18 and five contractors have now been shortlisted and taken through to the next stage. The council expect to be able to appoint a contractor in autumn 19.

Work will continue on the business case with a view to being submitted to DfT for full approval in October.

Subject to all of the above timescales being met, it is hoped that construction of the relief road would start in Spring 2020 and complete in Autumn 2021.

6. Proposed Funding

6.1. The proposed funding of the scheme is detailed below:

Funder	Amount (£m)
LGF	5.6
DfT	16.4
Sale of assets	1.9
Local transport Plan	0.7
CEC	18.357
S106	7.7
Total	50.657

The funding section of the business case wasn't completed but the above figures are those that are reported at the project board meetings. The funding of the scheme will need confirming as part of the final business case.

The council's contribution has been approved by their cabinet and it has also confirmed that they will meet any additional costs.

The DfT's funding of £16.4m is contingent on approval of the full business case which is due to be submitted in October 19.

6.2. Value for money

A value for money assessment has been carried out for the project and a benefits costs ratio figure calculated of 3.4, this represents "high value for money".

7. Delivery

A project board was established in 2015 to oversee the development of the project. The board meets monthly and has LEP representation. The project structure is the same as for other CEC transport schemes such as Congleton Link Road which was subject to a gateway review in 2017 and had a very positive report. This project was subject to a light gateway review in December and the report is awaited. No issues are expected. CEC have bought in support from Jacobs and it is felt that that project is run very professionally. Delays to the programme have been due to external factors outside of the control of the council.

7.1. Key milestones:

Key Milestone	Programme Date
Planning Permission granted (complete)	
CPO & SRO Orders published (complete)	21 st Nov 2017
Public Inquiry for CPO & SRO Orders	20 th to 27 th Nov 2018
OJEU Notice Issued	Above
Return of Selection Questionnaire (SQ)	Above
ITT issued to shortlisted contractors	Above
Tender returns	Above
CEC Approval of Tender	Above
Submit Final Business Case to DfT	Late Sept 2019
Issue Award Letter and Contract Documents	Above
DfT Funding Award	Dec 2019
Serve Notices to access land	Jan 2020
Start of Main Works	Apr 2020
Scheme opens	Feb 2022

8. Outputs

8.1. The benefits of the scheme as detailed in the business case are predominately transport related. The scheme is expected to reduce journey times and lead to a reduction in accidents. There is a disbenefit in terms of noise and air quality but overall this offset by the very significant reduction in journey times which has been monetised at £141.6m over the 60 year appraisal period.

8.2. The only wider economic benefit covered in the business case is GVA. However, public and private leverage should be added in as the LEP is measured against these targets.

The outputs and outcomes expected from the project are:

- Public Leverage of £18.357m
- Private Leverage £7.7m
- GVA £1.94m pa
- New Road 3km

It is recommended that as part of the full business case the wider economic benefits of the scheme such as housing and jobs impacts should be quantified and assessed.

9. Risks and Issues

The project maintains a full risk and issues register which is reviewed at each project board meeting. The biggest issue at the moment is that there might be a high court challenge to the Secretary of State’s decision when it comes, which will delay the project and increase costs. This then causes an additional risk of not spending all the DfT money by the end of March 2021. DfT are aware of this risk and are looking at putting in place processes to manage this.

10. Independent Appraisal

10.1. Systra has carried out an appraisal of the project and given the project an **overall score of 2: requirements substantially met**. The scores shown on the independent assessment as follows:

Management Case	1: Requirements Fully Met
Commercial Case	2: Requirements Substantially Met
Financial Case	2: Requirements Substantially Met
Economic Case	2: Requirements Substantially Met
Strategic Case	2: Requirements Substantially Met

10.2. The reason for the score of 2 is that the appraiser felt “ Three of the five cases require minor improvements. There are more substantial questions associated with the economic case, and modelling improvements are likely to be required as the schemes moves into FBC stage”

10.3. The need for additional information at the Outlines Business case stage is not unusual or unexpected. The grant offer should be conditional upon the areas requiring more information being updated.

11. Appendices

Appendix 1 - Independent Assurance Report



Cheshire & Warrington Local Enterprise Partnership
Performance and Investment Committee

Title: Mid-term Evaluation Report

Agenda item: 6

Prepared by: Rachel Brosnahan

Date of Report: 27th February 2019

1. Mid-term Evaluation

The mid-term evaluation of the programme was completed in January. A copy of the report is on the LEP website.

The overall report was quite weak and perhaps it would have been more beneficial to have more in-depth review of the completed projects. However, due to the recent completion of those projects the impact of the schemes haven't yet been fully realised. An evaluation at the end of the programme in 2021 will be able to give a better overview of the value of the programme, although the programme has until 2024 to report outputs.

The evaluation looked at all areas of the programme and made some recommendations as detailed below. The LEP will be monitored on its implementation of these recommendations as part of the annual conversation with BEIS.

The main recommendations of the report are:

1.1. Project Procedures

- A check list could be developed for use by both applicants and the LEP to ensure that all projects fully comply with all the steps in the appraisal process to help compliance.
- Partners to review the resources to ensure they appropriate for the size and scale of project due to be delivered.
- The LEP should commission the appraisals of project rather than the project sponsors.
- A short non-legal summary of offer letters to be produced.
- All OBCs should be required to include a full demand statement that clearly shows that there is actual demand (in terms both of any development requirements and

final occupiers) for the future development activities on which the economic outputs are based.

- Consideration should be given as to how to handle non-delivery of project targets either in financial or output terms and to consider greater use of award conditions and financial clawback if some outputs are not achieved.

1.2. Programme Responsiveness

LGF or future funding streams could benefit from:

- Have a reserve of funding available to respond to changing economic conditions.
- Ability to use funding for both capital and revenue activity
- use of contingency planning or development of reserve projects.

1.3. Strategic Regional Approach

- Building on the regional focus continue to develop regional plans for key areas - transport; skills; towns/centres; employment etc.
- Clear use of regional branding to maximise recognition of LEP role in delivering successful projects across the region.

1.4. Future Pipeline

- Important that the region develops a pipeline of potential projects which can offer both greater choice and improved quality and address the wider aspirations of the SEP;
- A “reserve list” could be worked up to OBC stage and initially approved in order that projects could be quickly brought forward
- Worth consideration of including a percentage mix of smaller projects which are less about expensive enabling works and so less contingent on others to secure outputs and impacts - a stratification approach.

1.5. Monitoring

- If project partners are regularly not supplying the required monitoring information (which the LEP require to report to their own management as well as to

government) some form of sanctions process should be considered. This may require some changes to the Assurance Framework.

- All output reporting should have specific years included and not simply left to “future” with no delivery dates. The Programme has until 2024 to deliver against output targets



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

Title: Programme Manager Update Report

Agenda item:8

Prepared by: Rachel Brosnahan

Date of Report: 27th February 2019

1. Executive Summary

As the LGF programme nears the end of its fourth year, it looks in good health. Almost a third of the projects in the programme have now completed and £80.7m of the £201m allocation has now been spent. While we expect the full impacts and benefits of the schemes not to be fully realised for some time the level of outputs achieved to date is also looking very healthy. We are required to report against numerous outputs and outcomes but we have only been set targets for Private Sector leverage which we have already exceeded and then jobs created and homes built which have now achieved 52% and 59% of the targets respectively.

Spend for the year has been behind profile with only £9.7m claimed to date against a profile of £16m, but we expect £8m of claims to be submitted for q4 so should still comfortably achieve profile.

2. Local Growth Fund project update

Please see table appended with brief updates on every project. Below are updates on projects by exception:

2.1. Sydney Road Bridge

Phase 2 works have started on site and the bridge will be lowered into place this month. The implementation agreement between CEC and Network Rail has now been signed. The project should be completed and the road reopened by June.

2.2. Reaseheath College projects

The accommodation blocks have now completed which means all four Reaseheath projects are now complete. There will be an opening for the Learning Hub in Early March. It is hoped that there will be official openings for the projects in the near future as they are great projects and good examples of what can be done with LGF funding.

2.3. Ellesmere Port Central Development Zone

The revised offer letter has been issued to CWAC based on the revised milestones put forward by CWAC. These are:

MILESTONE	TARGET DATE
Commencement of Specialist Site Surveys	January 2019
Commencement of Planning Consultations	February 2019

Completion of Planning Consultations	March 2019
Planning Submission	April 2019
Contractor Appointment	May 2019
Full Business Case	June 2019
Planning Approval	July 2019
Construction	December 2019
Handover	May 2021

2.4. Crewe High Speed Ready Heart

The overall scheme is progressing well albeit with delays but there isn't undue concern at this time. The market hall works have been further delayed due to issues with gaining vacant possession of the Market Hall. This means that the project is likely to underclaim against profile by approximately £500k.

2.5. Unlocking Winsford Industrial Expansion Land

Planning approval has now been granted and procurement is well underway. However, £1m of LGF was profiled by CWAC to be spent this year and is now likely to be closer to £200k. It is expected that the project will start on site in March and spend should quickly start to escalate.

2.6. Tarvin Road

Balfour Beatty have been engaged to carry out the design work. In doing so the design of the scheme has been refined and have concluded that the scheme proposed is likely to cost far more than estimated. The Council are reviewing the options for the scheme, including funding.

3. Growing Places Fund (GPF) Update

Bruntwood have submitted the first loan drawdown for Glasshouse at Alderley Park.

Heads of Terms have been issued for another loan to a manufacturing company in the region. Negotiations are ongoing.

No further applications are being considered at this time as we expect the fund to be fully committed by Summer.

4. Cheshire and Warrington Evergreen Fund

Work is continuing to develop a £20m Cheshire and Warrington Evergreen Fund. The draft ERDF application has been submitted. It is hoped that CEC will agree to act as the accountable body following a cabinet meeting on the 21st February. At this point MHCLG can formally ask CEC to apply for the funding. The LEP board will also be asked to make a decision about whether to fund initial costs of the holding fund of £200k-£250k until the fund becomes sustainable.

5. Finance

To help manage cashflow as we move into next year when the payment from BEIS will be just £8m compared to £16m this year, we have only paid in line with intervention rates for most projects. Also for many projects to hit the much higher spend targets from the previous years the grants paid were paid at 100% of costs incurred, so this year several projects have reached the maximum amount of grant that can be claimed. This means that to date this year only £9.7m has been paid. The target for

the year is £16m which should still comfortably be achieved as phase 2 of Sydney Road has started on site and Warrington East is in full delivery. Importantly, if P&I chose to give conditional approval to Poynton Relief Road, that project alone will claim £4.9m this quarter. There is still flexibility within the programme to increase spend in q4 if required to meet the BEIS profile.

Due to funding carried forward from 2015/16 we should have adequate funding to pay all the claims in 19/20 despite which are currently estimated at £20m +/-£2m.

6. Outputs

We are starting to see small increases in the outputs achieve which we expect to increase in pace through the next financial year. The contracted outputs are on track to deliver against the BEIS targets

The outputs achieved to date and contracted are:

Outputs	BEIS Target	Contracted on projects	Achieved to date	Percentage achieved	Percentage achieved against BEIS target
New Commercial Floorspace (sqm)		180,190	363,971	202%	
Renovated Commercial Floorspace (sqm)		3671	3671	100%	
Businesses receiving investment		29	11	38%	
Jobs created	15423	24,493	7,943	32%	52
Private sector Leverage	373.68	322	500	155%	134
Public Sector Leverage		107	76	71%	
New homes completed	5,150	12,784	3,019	24%	59
New home starts		8,242	0	0%	
GVA		20	3.91	20%	
Space occupied at Alderley Park (sqft)		18580	1077	6%	
Total amount of new road (meters)		481	1081	225%	
Total amount of road resurfaced (meters)		2120	2920	138%	
Constructions jobs		960	90	9%	
Learners benefitting		511	25	5%	

7. Risks

The top operational and programme risks are shown below.

Operational Risks

RISK REF	RISK SCENARIO		FUTURE CONTROLS / MITIGATION MEASURES	Residual risk rating		
	RISK	IMPACT		IMPACT {1-5}	LIKELIHOOD {1-5}	TOTAL
3	Not complying with the General Data Protection regulation	Could lead to legal action against the LEP by not conforming.	Consultants now appointed to assist the LEP to putting systems processes in place to aid GDPR compliance. Ensure GDPR is taken into account when designing /specifying the new CRM system.	4	3	12
65	Changes in policy in CWAC mean that secondees are no longer available leaving a skills gap.		Bring in consultants to manage in interim if required.	4	3	12
1	Current political landscape and lack of clear support for LEPs from opposition creates risks to delivery of economic development projects in Cheshire and Warrington. May take significant time to transfer delivery to another body.	LEP potentially would have to be wound up and delivery of projects and realisation of benefits could be delayed.	Promote the LEP achievements and its effectiveness at delivering regeneration.	5	3	15

2	Criticism of credit card transactions	Reputational damage to the company and questions over transparency of process and impropriety could be raised.	Clear policy on the purchase of Alcohol and corporate entertainment. Add notes to credit card statements with details of event attended and who was present when there are transactions for hospitality.	4	3	12
4	Consultants or sub-contractors not managing/protecting LEP information appropriately and or inline with GDPR.	Could leave the LEP open to legal challenge	Issue T&Cs to all consultants and contractors and make sure they cover the protection of information.	4	3	12

Delivery risks

RISK REF	RISK SCENARIO		FUTURE CONTROLS / MITIGATION MEASURES	FUTURE RISK RATING		
	RISK	IMPACT		IMPACT {1-5}	LIKELIHOOD {1-5}	TOTAL
37	Unable or delayed in securing funding package from local authorities for the investment programme.	Loss of retained business rate income, stalled developments, reputational risk to the LEP amongst stakeholders. Unable to realise the full potential of the EZ.	manage the investment programme in line with available finance. Review EZ business case application process to see whether more appropriate to run calls when finance is available to manage expectations.	5	3	15
38	Crewe Hub - Risk that we don't get right elements of Crewe Hub Delivered due to the high costs.	Reputational risk. Not achieving the maximum connectivity to the Hub and thereby reducing the economic benefits of the Hub and VfM.		5	3	15

3	Lack of suitable projects and/or appropriate match funding to form ESIF programme pipeline to meet eligible criteria including meeting cross cutting thematic objectives and revised Treasury deadline of March 2019 for final project submissions. Flexibility or delay in decisions to use of LGF3 as match. Lack of partner support to deploy remaining funds and sources of match funding particularly under the European Social Fund.	ESIF programme does not meet its outputs/outcomes which could result in loss of funding for the sub region. Damage to LEP reputation and credibility both locally and nationally as well as with Government which could impact on consideration for future funding rounds i.e. the future prosperity fund. Loss of funding to the Sub Region to support delivery of growth, jobs and businesses in Cheshire and Warrington and delivery of SEP.		4	3	12
1	Delivery of the projects to meet financial and output targets in a timely manner	Projects and/or programme does not deliver cost or quality requirements on time and fails to achieve the targeted outputs and outcomes within the Growth Deal timeframe. Potential to damage relationships with the LEP. Reputation of the LEP as able to deliver bids submitted to Government is negatively affected. DCLG could potentially take back flexibilities given to manage the LGF Programme. Could affect the award of future funding to the LEP.	Look at revising the offer letter to put stiffer penalties in place for non achievement of outputs.	4	3	12
40	Not having a quality pipeline of projects and/or lack of finance to develop quality business cases.	Inability to delivery SEP priorities. Reputational Damage. Impacts ability to secure funding to deliver projects e.g. SPF.		4	3	12

73	If ERDF is secured for an Evergreen Fund it may be difficult to invest due to the priorities it is being drawn from	Loss of funding and reputational damage		3	3	9
42	Failure to delivery LIS that is signed off by government.	Ability to secure funding severely hindered, which in turn impacts the LEPs ability to deliver it's strategic priorities. Would impact the ability to secure increased freedoms and flexibilities. Big impact on credibility and reputation of the LEP		5	2	10
27	transfer of legal agreements to the LEP may expose the LEP to compliance and eligibility issues which could have financial implications.	Financial and reputational damage to the LEP.	Exceptional P&I meeting to be held at the beginning of October to consider proposals. If the revised project put forward is not appropriate or ready for approval then the funding will be de-committed from the project and new projects will need to be found.	4	3	12

Summary of project status

Project Name	Main Recipient	Main Contractor	Project description	Total Cost (£)	LGF Grant (£)	Total Paid to date (£)	Current Position
LGF							
Completed Schemes							
Birchwood Pinch point (Warrington East Phase 1)	Warrington Borough Council	Balfour Beatty	The scheme aims to improve access to Birchwood Park. It includes: Signal improvements at junction of Birchwood Way/Birchwood Park Avenue A bus only link connecting the Birchwood Way/Faraday Street junction with Ordnance Avenue The replacement of the Moss Gate roundabout with a higher capacity junction to eliminate traffic congestion, accessibility and road safety problems	3,620,000	2,140,000	2,140,000	Completed
M62 J8 Junction Improvements	Warrington Borough Council	Balfour Beatty	The scheme involves the remodelling of the current junction to increase capacity and improve traffic flow.	11,690,000	5,000,000	5,000,000	Completed June 18
Chester Central (Northgate and Bus Interchange)	Cheshire West and Chester Council		The project is to create a new Bus Interchange. The old bus station site will then be freed up to form part of the £380m Northgate development which will see new retail and leisure opportunities developed.	21,000,000	13,500,000	13,500,000	Completed May 17
Thornton Science Park (Chester)	University of Chester	Wilmot Dixon Construction	The project is to refurbish an existing building to create an energy demonstrator. The aim of the Demonstrator is to provide a flexible platform (with office and laboratory space) for research and development, focusing on testing new and emerging technologies across all aspects of energy systems and smart grids. The initial objective is to concentrate research on emerging energy storage technologies.	16,744,000	6,800,000	6,800,000	Completed May 17
Reaseheath Employer Focused Hub	Reaseheath College	John Turner Construction Group Ltd.	Construction of new lecture theatres, teaching and break out study areas of approximately 500m2 connecting the existing HE centre with the centre point building and refurbishment of the existing building approximately 337 m2	2,045,000	674,850	674,850	Project complete and operational
Reaseheath Agri Tech Centre	Reaseheath College	Engineering Extension - Novaplus Ltd. Agritech - Pochin Construction Ltd.	The National Centre for Agri-tech and advanced engineering will provide general teaching areas, workshop space, specialised facilities for robotics, tractor simulation, GPS and the most advanced agricultural engineering machines associated with precision farming, meeting current and future skills needs. In addition the project will introduce robotics to the college farm and livestock management improving animal welfare, farm productivity and reducing environmental impacts.	7,000,000	2,475,000	2,475,000	Project complete and operational
Reaseheath Sports Science and Performance Academy	Reaseheath College	Sports pitches - Blakedown Sport & Play Ltd. Sports Hall - Pochin Construction Ltd.	The construction of new sports facilities to deliver all year round sports provision, wider range of activities, sports science and performance laboratories, increasing recruitment and delivering higher level skills to all sports and public service learners. It will provide essential recreational facilities for 1200 residential students and the local community. The new facilities to include a sports hall a new MUGA pitch and a new 3G pitch to Sports England specifications.	6,000,000	2,170,000	2,170,000	Project complete and operational
Crewe Green Roundabout	Cheshire East Council	Balfour Beatty	Redesign of the existing roundabout to increase capacity and reduce congestion at this pinch point.	7,423,000	3,300,000	3,300,000	Completed October 18.
Ellesmere Port and Chester Campus remodelling	South Cheshire College	Perfect Circle leading on design work	The project is to reconfigure the teaching and learning spaces at the Ellesmere Port and Chester Campuses. This is following an Ofsted report which gave the college an Inadequate grading. This was due in part, to the open design and layout of teaching spaces meant that learning is often disrupted by noise from other parts of the building.	3,500,000	3,198,000	3,198,000	Project complete and operational
Reaseheath Learning Hub and Accommodation	Reaseheath College	Learning Hub - Novaplus Ltd. Accommodation - Pochin Construction Ltd	The replacement of temporary residential units (180 beds) with a new 200 bed purpose built facility that will provide accommodation for approximately 320 students meeting increased demand. Addressing significant condition issues in central scientific laboratory Hub	9,980,000	3,556,000	3,556,000	Project complete and operational
Sydney Road Bridge (Crewe)	Cheshire East Council	Network Rail and J Murphy & Sons	Replacement of the bridge at Sydney Road with a new bridge which take two lanes of traffic, plus a pedestrian path. The new bridge will reduce congestion in the area.	10,497,000	5,850,000	3,019,846	Phase 1 completed. Sydney Road Bridge now closed as part of phase 2 works.
GM & Cheshire Life Science Investment Programme	Catapult Ventures	Catapult Ventures	£31m Life sciences Investment Fund.	31,982,000	10,000,000	7,979,517	£15.86m now invested in 26 companies.
Centre Park Link (Warrington)	Warrington Borough Council	Balfour Beatty	The Centre Park Link comprises a new highway route into the Town Centre, providing access to developable land. This involves the construction of a new bridge structure and associated highway link.	19,350,000	5,300,000	4,770,000	Enabling works have finished. Main works expected to start on site in April
Warrington West Station	Warrington Borough Council	Network Rail	New train Station. The new Warrington West railway station will act as a key interchange node with two main aims, improving accessibility throughout the western and northern sectors of Warrington and servicing Chapelford Urban Village, Briarswood Village, the Omega regional employment site and the neighbouring Lingley Mere employment sites.	18,415,000	6,530,000	5,877,000	Work on site going well. Platform works substantially progressed. New bridge installed. Station due to open in Autumn.
Ellesmere Port Central Development Zone	Cheshire West and Chester Council	Perfect Circle leading on design work	Development of one estate for the following services: Council, GPs, DWP, Fire, Police and Ambulance services. The new building/s will be built on the site of the existing council offices freeing up sites to be developed for housing and commercial activities.	35,000,000	8,332,000	-	Conditional approval given to the project. Work on the final business case underway and expected to be complete by June 19
Crewe High Speed-ready Heart Town Centre Regeneration Programme	Cheshire East Council	Parkinsons to lead Market Hall Work. Peverell Security is the developer for the Royal Arcade site	The overall scheme is £67m and will see significant remodelling of the town centre, including the demolition and relocation of the existing bus station and the creation of a new shopping arcade. The business case put forward concentrates on the elements to be funded through LGF and the Cheshire East Council, which are, the Bus Station, new multi-story car park, public realm and reconfiguration and updating of the markets.	69,000,000	10,000,000	715,412	Planning app for phase 1 demolition of the Royal Arcade site has been submitted. The contractor for the Market Hall redevelopment has been appointed. CEC has agreed Heads of Terms with SPEN for a new Primary Sub-Station in Crewe town centre and planning application has been submitted.

Unlocking Winsford Industrial expansion Land	Cheshire West and Chester Council	Not yet appointed contractor	Infrastructure works to open up the site for redevelopment to create new commercial and industrial buildings with associated jobs.	5,000,000	3,800,000	337,540	Planning approval granted. Final Business Case (FBC) due to be submitted in March.
Tarvin Road (Chester)	Cheshire West and Chester Council	Not yet appointed contractor	Improvement to the highway to help improve traffic flow.	5,427,000	3,663,000	157,928	Scheme being developed in detail. Costs have increased substantially so funding package being revised. FBC due March 19
Warrington East Highways Improvements	Warrington Borough Council	Balfour Beatty	A five part scheme of traffic improvements to open up development sites and improve traffic flow.	13,500,000	6,900,000	2,855,645	On site and on programme. Phase 3 of works started in January. Works expected to finish Sept 19
Omega Local Highways Schemes phase 2 (Birchwood)	Warrington Borough Council	Not yet appointed contractor	Highway improvements. Scheme options currently being developed.	6,465,000	4,300,000	-	Traffic modelling and consultation work ongoing. Design changed to accommodate expansion of Omega site.
Skills	TBD	n/a	Skills strategy developed. Call to be issued following further development of the Pledge work.	5,000,000	5,000,000	-	Consultation process underway. First grants expected to be awarded in q1 19/20
Energy Innovation	TBD	n/a	Energy Innovation fund, split into three themes: Supporting SME resource efficiency, Smart networks and whole-place energy solutions, Supporting innovation and technology development	4,151,070	4,151,070	-	Options for investing the funding currently being considered in line with the Local Industrial Strategy.
Joint Cheshire and Warrington Sustainable Travel Access Fund							
Burtonwood Omega Path	Warrington Borough Council	tbc	This is a new 3.5m wide shared use path alongside Burtonwood Road/Clay Lane in North Warrington which aims to provide a safe, secure and attractive cycling and walking link between the west side of Burtonwood village and the commercial and employment growth areas of Omega, Gemini and Lingley Mere. The length of the proposed path is 2.4km	1,000,000	500,000		Project now contracted. Work continuing to acquire the land required for the scheme.
Chester Road	Warrington Borough Council	tbc	Pedestrian and cycle route along Chester Road. Will link to Centre Park Link (another Luff scheme) and link into the trans Pennine Way.	900,000	600,000		Scheme design being developed
TPT Upgrade	Warrington Borough Council	tbc	To widen and upgrade the Trans Pennine trail which is a tourist attraction as well as a link between residential and employment sites.	900,000	600,000		Scheme design being developed
Wilmslow Strategic Cycle and Walking route	Cheshire East Council	tbc	Upgrading of pedestrian and cycle links between Royal London site and Wilmslow. Fill gaps in the off-road route between Wilmslow and key employment sites Inc. Alderley Park, Waters and Manchester Airport Enterprise Zone. Total route length to be upgraded is 2.7km	1,300,000	500,000		3 options developed. Costs being worked up
Northwest Crewe Cycling and Walking Link	Cheshire East Council	tbc	Extending a cycling and walking path linking Crewe and Nantwich, the Bentley employment site, Leighton Hospital and residential areas. NR widening bridge at Boulderstone Bridge, this project will link into the widened bridge.	2,145,000	1,100,000		Design options now reduced to one preferred option. Scheme cost reduced to £1.7m to reflect perhaps shorter route but will be confirmed following procurement process and detailed design.
A5117 Cycle Route, Ellesmere Port	Cheshire West and Chester Council	tbc	4.5km cycleway linking Ellesmere Port and Chester.	602,000	380,000		
Ellesmere Port Canal Towpath	Cheshire West and Chester Council	tbc	Enhancement of 2.2km of canal towpath between A41, Ellesmere Port and Chester to shared use.	4,379,000	680,000		Scheme now won't include bridge so total cost will go down. Looking to see whether Canals and River Trust can deliver the scheme.
Sutton Way Boulevard, Ellesmere Port	Cheshire West and Chester Council	tbc	1 mile new shared pathway which will link the town centre with the western fringe and residential areas and provide a link to Chester by joining up with Stoney Lane.	1,024,000	640,000		On hold while other work is prioritised. Expect the business case in Dec 19
Chef's Whites Academy	Macclesfield College	no contractor	The LGF grant will be used to buy equipment to enable the college to set up the Chef's Whites Academy and run courses from September 2019. The course is expected to create apprentice opportunities for 40 students.	200,000	25,000	13,275	Academy launch event held. Part time co-ordinator appointed. Some students signed up for course.
Major Transport Schemes							
Poynton Relief Road	Cheshire East Council	tbc	Poynton Relief Road is a proposed 3km single carriageway road scheme to the west of Poynton with the primary aims of relieving village centre congestion and regenerating the north of the borough.	38,000,000	21,000,000	-	OBC completed and due to be considered by P&I at February meeting. Procurement process progressing. Shortlisted tenderers invited through to stage 2. Awaiting Planning inspector's report.
Middlewich Bypass	Cheshire East Council	Balfour Beatty	To deliver a highway scheme which functions as a proper By-Pass to deliver the traffic solution for Middlewich and all the Council's requirements	58,483,982	46,780,000	-	Balfour Beatty to commence Preconstruction - Stage 1 Jacobs to progress detailed design Planning application decision expected 14th March 2019
Congleton Link Road	Cheshire East Council	Graham Construction	A new 3.5 mile road for Congleton to reduce congestion and support town centre regeneration. The Congleton Link Road would join the A534 Sandbach Road (to West of Congleton) with the A536 Macclesfield Road (to the North of the town).	90,743,268	45,000,000		Project has started on site. Sod cutting event to be held on the 25th February 2019
A500 dualing	Cheshire East Council	tbc	Dualing the A500 from m6 j16 to Meremoss roundabout	57,000,000	45,000,000	-	Planning permission approved. Some issues with the design of the scheme due to ground conditions. Possible significant cost implications.
				Loan (£)			
Cheshire Green Employment Park	Cheshire Green Employment Park Limited	Jones Bros.	Infrastructure works to open up the site for redevelopment to create new commercial and industrial buildings with associated jobs.	14,000,000	3,200,000	1,130,759	First phase completed. Land revalued. First plots sold
Glasshouse, Alderley Park	Bruntwood		Refurbishment of a previously owned Astra Zeneca building into new office space.	26,950,000	3873000	-	£16m of work completed. Expected to finish summer 19. First loan drawdown request received in January.



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

Title: ESIF Update

Agenda Item: 9

Prepared by: Tim Smith

Date of Meeting: 27th February 2019

1. European Regional Development Fund

Latest information provided by MHCLG in mid-January 2019 shows the headline spend position as below.

ERDF Headline Summary (as at January 2019)				
<i>priority</i>	<i>total programme allocation</i>	<i>total live or under consideration</i>	<i>%age live or under consideration</i>	<i>balance remaining to invest</i>
1	£22.718m	£20.855m	91.80%	£1.863m
2	£3.578m	£0.523m	14.60%	£3.055m
3	£27.682m	£26.938m	97.31%	£0.744m
4	£16.343m	£11.504m	70.39%	£4.838m
total	£70.321m	£59.821m	85.07%	£10.500m

The total programme allocations shown above take account of the Revised Notional Allocations announced in late 2018 which made further ERDF monies available due to fluctuations in exchange rates.

There may still be additional amounts to add to the balance remaining to invest as funding comes back into the pot from underspends on current projects and amendments to or withdrawal of applications currently under consideration.

It is anticipated that two more funding calls will be run in 2019. These are expected to be the final calls under this ERDF programme.

A full list of current projects is included at Appendix 1.

2. European Social Fund

The second procurement round, with funding calls launched in summer 2018, is now nearing completion. A headline summary is shown below.

ESF Procurement "Round 2" (summer 2018)				
<i>IP</i>	<i>ESF available</i>	<i>current position</i>	<i>ESF requested</i>	<i>ESF remaining</i>
1.1	£7,448,000	ESFA co-financed project won by People Plus Now at ESFA contracting stage	£7,260,000	£188,000

		<i>(figure includes ESFA 10% admin fee)</i>		
1.2	£2,552,000	Direct call bid – joint Local Authorities’ project Now at full application stage <i>(deadline 28th Feb 2019)</i>	£2,552,000	£0
1.4	£2,933,000	Direct call bid – joint Local Authorities’ project Now at full application stage <i>(deadline 28th Feb 2019)</i>	£2,900,000	£33,000
2.1	£14,813,000	Direct call bid – University of Chester project Now at full application stage <i>(deadline 28th Feb 2019)</i>	£14,813,000	£0
2.2	£1,165,000	Direct call bid – The Pledge Now at DWP contracting stage	£1,165,000	£0
	£28,911,000		£28,690,000	£221,000

Note – the figures shown above do not take into account any remaining funding that might become available through underspend on current “Round 1” projects which are due to finish at the end of March 2019.

Revised Notional Allocations, announced late in 2018, have made further ESF monies available due to fluctuations in exchange rates. The additional funding equates to an 11.5% increase applied consistently across each Investment Priority. Open and competitive procurement will again be required for allocating these monies, and so more funding calls will be run in 2019. These are expected to be the final calls under this ESF programme. Any unallocated monies will be taken into a centrally administered “Reserve Fund”. A headline summary is shown below.

ESF Procurement “Round 3” (to address Revised Notional Allocations)					
<i>IP</i>	<i>additional ESF now available</i>	<i>current position</i>	<i>indicative date for next direct call</i>	<i>co-financing – Big Lottery?</i>	<i>co-financing – ESFA?</i>
1.1	£1.603m	will need another direct call <i>(although no bids received through direct call in 2018)</i>	July 2019		no news at this stage
1.2	£0.726m	will need another direct call <i>(possibly merged with IP1.4)</i>	Sept 2019		
1.4	£0.973m	will need another direct call <i>(possibly merged with IP1.2)</i>	Sept 2019	request for additional ESF allocation expected	
2.1	£2.222m	will need another direct call	Sept 2019		
2.2	£0.215m	will need another direct call	July 2019		
	£5.739m				

It is anticipated that the “Round 2” direct call bidders, i.e. the joint Local Authorities project, the University of Chester project, and The Pledge, will want to bid again for some additional funding. DWP has indicated that a fast-track process might be available if a currently running project in a particular LEP area is the only bidder in that particular Investment Priority.

DWP have also indicated that if a Big Lottery request for additional ESF funding exceeds the allocation currently available in IP1.4, but ESIF Committees still want to approve it, then any overspend in IP1.4 could be cross-subsidised by underspend in IP1.1 and/or IP1.2.

3. Rural Development Programme for England / Rural Growth Fund

The Rural Growth Fund is now closed to new applications. Two funding rounds have been run, resulting in the programme being significantly over-subscribed against its funding allocation of £2.492m. The fund is currently showing as £1.5m over-programmed, although drop-outs and underspends are inevitable.

Data provided for the most recent ESIF Committee on 29th November 2018 is shown below.

Growth Programme Round 1	Total		Business Development		Food Processing		Tourism	
	Projects	Value £	Projects	Value £	Projects	Value £	Projects	Value £
Total Call Value	-	725,000		450,000		275,000		-
Current pipeline spend <small>EOI + Endorsed + FA + Approved - Not Viable</small>		480,089		310,109		169,981		-
Claims Paid	-	429,594		310,109		119,486		-
EOI Received	20	2,159,121	11	957,881	4	426,724	5	774,516
Endorsed for full application								
Full Applications Received	6	560,779	3	310,763	2	189,200	1	60,817
Contracted	5	483,497	3	310,109	2	173,388	-	-
Applications no longer viable	15	1,623,503	8	648,987	2	200,000	5	774,516
Drop out rate	75%	75%	73%	68%	50%	47%	100%	100%

Round 1	
Total Call Value	725,000
Current pipeline spend	480,089
Contracted	429,594

Growth Programme Round 2 25/01/2017 - 31/01/2018	Total		Business Development		Food Processing		Tourism	
	Projects	Value £	Projects	Value £	Projects	Value £	Projects	Value £
Total Call Value		2,009,103		575,103		434,000		1,000,000
Current pipeline spend <small>EOI + Endorsed + FA + Approved - Not Viable</small>		3,546,055		2,091,931		401,600		1,052,524
Under(Over) Programmed		(1,536,952)		(1,516,828)		32,400		(52,524)
Claims paid		109,200		109,200		-		-
EOI Received	37	4,831,294	22	2,749,821	1	404,000	14	1,677,473
- EOI In Progress	-	-	-	-	-	-	-	-
Endorsed for full application	32	4,292,594	20	2,534,721	1	404,000	11	1,353,873
Full Applications Received	8	1,397,501	4	432,194	1	401,600	3	563,708
- FA In Progress	1	246,000	-	-	-	-	1	246,000
Contracted	4	662,124	2	112,000	1	401,600	1	148,524
Applications no longer viable	12	1,378,163	6	696,104	-	-	6	682,058
Drop out rate	32%	29%	27%	25%	0%	0%	43%	41%

Round 2	
Total call value	2,009,103
Current pipeline spend	3,546,055

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Appendix 1

Cheshire and Warrington ERDF Projects (as at January 2019)

<i>priority</i>	<i>status</i>	<i>project name</i>	<i>grant recipient</i>	<i>ERDF allocation</i>	<i>total project costs</i>	<i>claim to last quarter</i>
1	live	Next Business Generation – Life Science Support Programme	BioCity Group Ltd	£7.608m	£19.535m	£9.804m
1	live	Northern Powerhouse Investment Fund	British Business Financial Services Ltd			
1	live	SMART Cheshire	Manchester Metropolitan University			
1	live	Innovation to Commercialisation (I2C)	University of Chester			
1	full	BioHub: Accelerator and Scale-Up Programme	BioCity Group Ltd	£3.855m	£7.710m	n/a
1	full	Greater Innovation for Smarter Material Optimisation “GISMO”	Lancaster University			
1	full	SMART Cheshire	Manchester Metropolitan University			
1	outline	UDF Cheshire and Warrington	Cheshire East Council	£9.392m	£18.784m	n/a
1	outline	Cheshire Advanced Manufacturing Centre (CAM)	Manchester Metropolitan University			

<i>priority</i>	<i>status</i>	<i>project name</i>	<i>grant recipient</i>	<i>ERDF allocation</i>	<i>total project costs</i>	<i>claim to last quarter</i>
2	live	Digital 2020 Programme	Cheshire East Council	£0.523m	£1.045m	£0.397m

<i>priority</i>	<i>status</i>	<i>project name</i>	<i>grant recipient</i>	<i>ERDF allocation</i>	<i>total project costs</i>	<i>claim to last quarter</i>
3	live	Cheshire and Warrington Growth Hub and Growth Advice Service	Blue Orchid Enterprise Solutions Ltd	£13.838m	£34.096m	£18.677m
3	live	Northern Powerhouse Investment Fund	British Business Financial Services Ltd			
3	live	Enhancing SMEs International Trade Performance	Chamberlink Ltd			
3	live	Support and Workspace for Business in Key Growth Sectors	Cheshire West and Chester Council			
3	live	Pan-LEP Specialist Manufacturing Service	GM Business Support Ltd			
3	live	Building Capacity and Capability in Health and Life Science Businesses (C&W)	Innovation Agency			
3	live	Cheshire and Warrington Business Growth Programme	Northwest Universities European Unit			
3	live	Helix Business Park, Newbridge Road, Ellesmere Port	Redsun Developments Ltd			
3	full	Cheshire & Warrington SME Growth Grants	Blue Orchid Enterprise Solutions Ltd			
3	full	Pan LEP Specialist Manufacturing Service	GM Business Support Limited	£3.868m	£7.735m	n/a
3	full	Cheshire and Warrington Business Growth Programme	Northwest Universities European Unit Ltd	£9.233m	£20.641m	n/a
3	outline	UDF Cheshire and Warrington	Cheshire East Council			
3	outline	Northern Powerhouse Export Grant Scheme	Department for International Trade (DIT)			
3	outline	C&W Health MATTERS	Innovation Agency (the Academic Health Science Network for the North West Coast)			
3	outline	Modern Day Nomad	Modern Day Nomad			

<i>priority</i>	<i>status</i>	<i>project name</i>	<i>grant recipient</i>	<i>ERDF allocation</i>	<i>total project costs</i>	<i>claim to last quarter</i>
4	live	Northern Powerhouse Investment Fund	British Business Financial Services Ltd	£5.004m	£12.600m	£5.327m
4	live	Eco-Innovation - Cheshire and Warrington	University of Chester			
4	full	Cheshire & Warrington Low Carbon Investment Programme	Blue Orchid Enterprise Solutions Ltd	£3.500m	£7.000m	n/a
4	full	Energy Low Carbon Housing Support Ellesmere Port and Neston	Cheshire West and Chester Council			
4	outline	UDF Cheshire and Warrington	Cheshire East Council	£3.000m	£6.000m	n/a

<i>priority</i>	<i>status</i>	<i>project name</i>	<i>grant recipient</i>	<i>ERDF allocation</i>	<i>total project costs</i>	<i>claim to last quarter</i>
9	live	Cheshire and Warrington Technical Assistance	Cheshire & Warrington TA	£0.292m	£0.584m	£0.314m
9	full	North West Local Energy Technical Assistance	Liverpool City Region Combined Authority	£0.025m	£0.050m	n/a
9	outline	Cheshire & Warrington ERDF Technical Assistance	Cheshire West & Chester Council	£0.274m	£0.549m	n/a

<i>priority</i>	<i>status</i>	<i>project name</i>	<i>grant recipient</i>	<i>ERDF allocation</i>	<i>total project costs</i>	<i>claim to last quarter</i>
all	live	overall programme total		£27.265m	£67.860m	£34.519m
all	full	overall programme total		£11.248m	£22.495m	n/a
all	outline	overall programme total		£21.900m	£45.974m	n/a