



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

Wednesday 18th December 1.30-3.30

Wyvern House

Attending: Chris Hindley (Chair)
Paul Goodwin, Stewart Brown, Chloe Taylor, Nicola Newton,
Ian Brooks, Rachel Laver

Apologies: Lisa Harris, Ged Barlow, Alex Thompson, Peter Skates

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 20 th November 2019	Chair	5 mins
	(ii) Actions Arising	Chair	5 mins
4	Strategy Delivery Plan update	AH	10 mins
5	CEC sustainable transport schemes presentation	Richard Hibbert	20 mins
6	Waste2Tricity presentation	John Hall	20 mins
7	Delivering network visibility in Cheshire's Energy Innovation district	Dave Roberts and Dylan Oliver	20 mins
6	Energy Fund Bids: Blue Orchid Project Vanguard NetZero Cheshire	RL	30mins
7	Delivery Plan review	RL	10 mins
8	Programme manager update	RL	5 mins
9	ESIF update	RL	5 mins
10	AOB	All	5 Mins
Dates of next meetings, time 1.30 pm and Venue Wyvern House, unless otherwise specified:			
	15 th January 2019	Delivery Plan – Infrastructure Skills bids Crewe Town Centre Network	

	19 th February 2019	WBC sustainable Travel Projects Q2 Growth Deal report
	18 th March 2019	Assurance Framework
	15 th April 2019	Omega Local Highways Scheme Phase 1 Final Approval

	<p>process of agreeing an SLA with UOC. LEP will employ three growth officers to help deliver scheme. Need to ensure funding adds value and doesn't just subsidise training which would have happened anyway.</p> <p>LEP has bought a data licence and paid for the three LAs to have a licence. This data will help target support.</p> <p>The LEP is working with businesses to get colleges to offer the right courses. This will help with future OfSTED inspections where the rationale for curriculum offered must be justified</p>		
	<p>Terms of Reference</p> <p>GB led a discussion on the TORs. The ones circulated are the currently approved ones and have just been updated to reflect the new membership only.</p> <p>IB explained the new committee structure and proposed working arrangements which would see all projects go back up to the relevant committee for approval before being brought to P&I for final endorsement.</p> <p>The committee discussed the need for efficient processes and GB emphasised that often the LEP was under pressure to spend, so adding another step in the approval process didn't seem entirely logical.</p> <p>GB confirmed the new arrangements, not currently reflected in the TORs were different to how P&I had worked for the last 6 years.</p> <p>GB asked everyone to feedback to RB with any comments on the proposed structure and whether it affected their willingness to be a member of the Committee.</p> <p>GB requested that the Energy fund and Sustainable travel bids for which business cases had been received came to the December meeting for approval rather than back up to Strategy Committee and LTB unless the projects had changed radically from what was approved by those committees. IB to confirm with PC that this is ok.</p> <p>PG emphasised the need for transparency and assurance to be adequately covered within P&I, as S151 Officer representation at several other committee meetings wouldn't be practicable.</p> <p>Clarify who the project sponsor is-is it the applicant it the committee?</p>	<p>All</p> <p>IB</p> <p>RB</p>	<p>End of Nov</p> <p>End of Nov</p> <p>Dec</p>
5	<p>Delivery Plan Update</p> <p>RB ran through the delivery plan update highlighting those areas where there had been a downgrading of the RAG status.</p> <p>GB suggested that the targets should be reset internally rather than accepting failure against targets, so that performance against revised targets can be measured.</p>		

	Add page numbers to delivery plan.	RB	Nov 19
6	<p>Growth Deal report</p> <p>RB ran through the whole workbook to show where inputs were required that generated the data which goes into the dashboard report as P&I are required to approve the report each quarter.</p>		
7	<p>Programme Manager Update</p> <p>RB ran through the Programme manager update.</p> <p>Noted that the Energy fund and two sustainable travel schemes couldn't be considered because of Purdah. Tranche 2 of the Skills fund applications will be considered by Employer and Skills board in December and P&I in January.</p> <p>Interviews conducted for the Evergreen Fund, Fund managers. Expect to be able to confirm appointment after Purdah, with a view to launching the fund in January.</p> <p>Risks agreed.</p>		
8	<p>Cheshire Green Loan</p> <p>Change to the loan facility agreed subject to updated cashflow being provided.</p> <p>Net proceeds of future sales to be repaid as set out in the loan agreement</p> <p>RB to arrange for necessary paperwork to be completed.</p>	RB	Dec 19
9	<p>ESIF update</p> <p>PS declared an interest in Digital 2020</p> <p>TS ran through the report.</p> <p>£51m contracted which is 73% of what is available.</p> <p>Strong response to last call. Not all will be able to be funded.</p> <p>Funding needs to be spent by December 2023</p> <p>Kerry Hall will have details of companies engaging with businesses but not the details of those businesses.</p> <p>BEIS had queried LEP engagement with MHCLG – bi-monthly meetings with each other to give an overview of programme performance.</p> <p>Quarterly ESIF meeting held.</p> <p>ESIF</p> <p>Another call for applications to help people into jobs. £1.65m to allocate, could be as much as £3.4m</p> <p>Outputs: 47% committed, 53% achieved.</p>	RB	Dec 19

	<p>Rural allocation – national reserve fund call now live. Deadline for EOIs is 16th February 2020.</p> <p>CH noted that ESIF committee paper and membership needed updating on the LEP website. RB to follow up</p>	RB	Dec 19
10	<p>AOB</p> <p>GB gave apologies for December Meeting, given that he was stepping down from the board in March he thought it was an apt time to ask CH to step into the role of the chairman of the committee. He will continue to attend the meetings and happy to consider papers for approval by correspondence for Dec.</p>	GB	Dec 19

DRAFT



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

Title: CEC Sustainable Transport Schemes

Agenda item: 5

Prepared by Rachel Brosnahan

Date of Meeting: 18th December 2019

1. Purpose of the report

To seek approval from the committee to give final approval to the NW Crewe Cycling and Walking Link and Wilmslow Strategic Cycle and walking route.

2. Executive Summary

CEC submitted two applications for funding from the LGF Sustainable Transport fund in 2018. Since this time the council have been working on developing the route options and then the design of the preferred option.

The two schemes will help to link local communities with employment leisure opportunities. Both Schemes will be able to fully spend the LGF by March 21. The NW Crewe scheme has been phased due to land issues. The LGF will be used to fund phases 1 and 2.

The projects have a good strategic fit with the Strategic Economic Plan by helping to support the development of a low carbon economy and improving connectivity around the region. They specifically fit with the Government's Walking and Cycling strategy which was published in 2017. The schemes will also help reduce reliance on cars and promote healthy living. Two out of every three trips are less than 5 miles, an achievable distance to walk or cycle for most people. Also, physical inactivity leads to one in sixth deaths, so providing options to improve activity is vitality important. The schemes which will link into the developing cycle network are also expected to reduce accidents by providing safer routes for cyclists and pedestrians and contribute towards cleaner air through reduced car trips.

The commercial and management cases for both projects are clearly set out and CEC have an excellent record of delivering schemes under the Local Growth Fund programme.

While the outputs are relatively low it is to be expected to this type of scheme. The BCR calculated on both schemes show high value for money.

A total of 3.6 km of new cycleway will be created.

The detail of each project is provided below.

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 letter 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
 - Commitment to complete phase 3 of the NW Crewe Scheme within two years. Failure to do so should result in clawback of grant for the NW Crewe scheme.

4. Background

As part of the initial LGF3 bidding round the local authorities had put forward schemes for inclusion. These added up to more than the total funding available. There was an attempt to agree a split of funding between the authorities but after a prolonged period it was apparent that this wasn't going to be possible and so we ran a closed application process to which only the three LAs were invited to submit applications. Again, the amount of funding sought was more than the amount available, but a compromise was reached with each local authority and a programme of eight projects across Cheshire and Warrington were given indicative approval which was endorsed by the Local Transport Board.

5. Scheme Proposal

These schemes are the two Cheshire East Schemes which have been given indicative approval.

6. Wilmslow Strategic Cycle and Walking route

The scheme is a strategic cycling and walking link in Wilmslow. It fills key gaps in the local network to create a coherent route connecting key economic development sites along the Cheshire East Science Corridor including Royal London and Alderley Park, Wilmslow Rail Station and Wilmslow High School.

The project will entail:

- Pedestrian / cycle links between Wilmslow station and Royal London supporting delivery of 1,500 new jobs; and
- Providing an improved route from residential areas in Wilmslow to employment locations including Alderley Park and Royal London.

The scheme will cost £950k to deliver and will be complete in March 2020. A grant of £900k of LGF is sought towards the project costs. The intervention rate has increased in order to put a reduced amount of LGF into the Crewe scheme to reduce the risk of the LGF not being spent. The intervention rate when the two scheme costs and grants are combined is 42%.

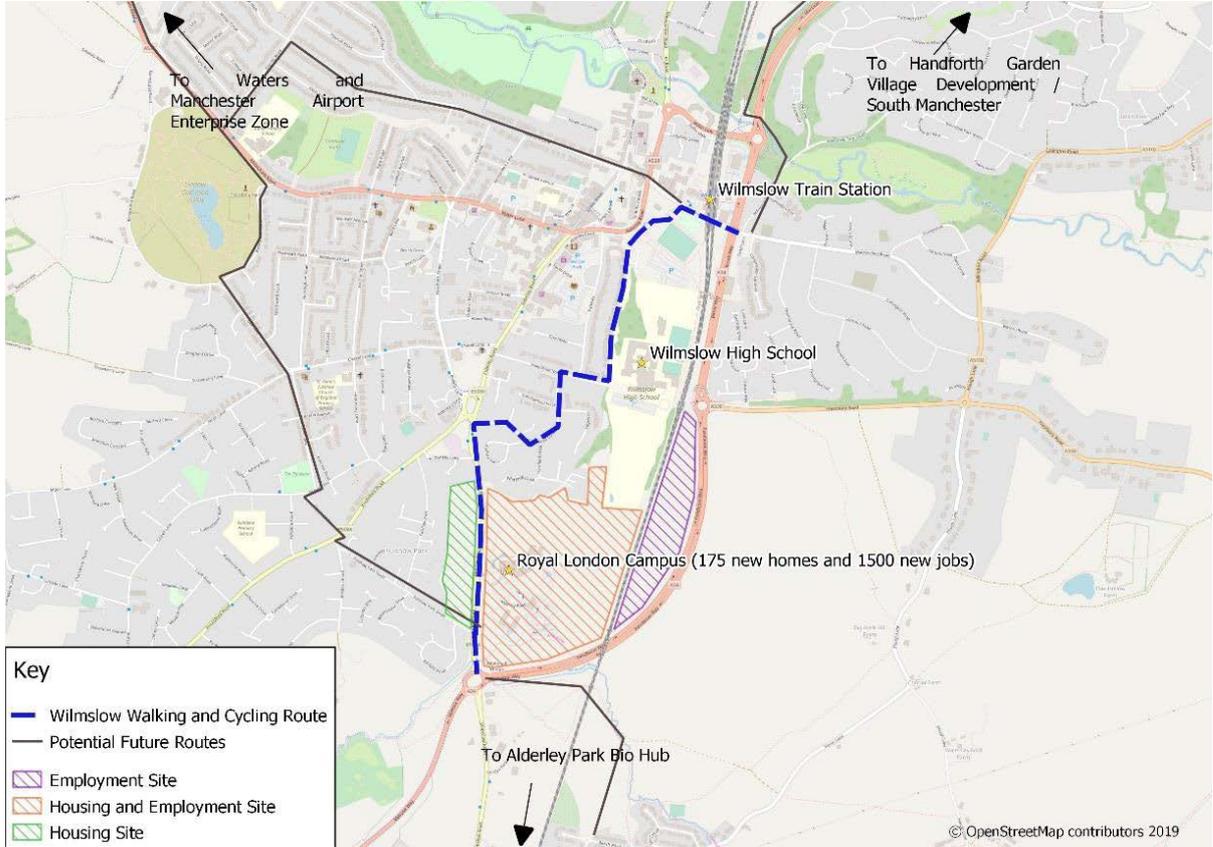
6.1. Scheme Objectives

The primary objectives of the scheme are as follows:

- To support existing businesses such as Royal London and employers at Alderley Park and unlocking additional jobs.

- To encourage active travel and an increase in physical activity.
- To improve access to schools and education.
- To create safe routes for non-motorised users.
- To improve air quality and the environment within Wilmslow

Map showing proposed route of scheme



6.2. Key Milestones

KEY MILESTONES	START	FINISH
Tender Period	Apr 20	Sept 20
Contract Award		Sept 20
Construction Period	Oct 20	Dec 20

A more detailed schedule will be requested from the council. It is expected that the contract is awarded to Ringway Jacobs to deliver with Eurovia.

6.3. Outputs

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

Outputs	
New cycleway	2.1km
Public sector leverage	£50k

6.4. Risks and Issues

The scheme design has not yet been finalised and the project tendered so there is scope for the projects costs to increase. However, the council has included a 15% cost contingency.

It is a low value scheme being delivered on council land. The project is expected to take 3-6 months and so there is very little risk of non-delivery or significantly delayed delivery.

An assessment of the key risks for the project is provided in Annex C of the business case. This demonstrates that the project is low risk and that several mitigation controls can be used to guarantee successful implantation of the schemes. The risks that have been highlighted will be monitored as part of this project. It would be nice to see the scheme bought forward though so that the impact of weather is reduced rather than build over winter.

6.5. Financial Summary

The current estimated cost for the scheme is £822k

Project Funding:

	Total (£000)	%
LGF3 Grant	900	95
Council Borrowing	50	5
Total project cost	950	100

6.6. Value for Money

The scheme has been calculated to have a BCR of 2.73-3.38 which according to DfT criteria, represents **high Value for Money**. (the range is due to estimate usage figures)

6.7. Independent Appraisal

Aecom have completed an independent appraisal and given the business case an overall score "substantially met"

The appraisal is summarised below.

Case	Status	Aecom comments
Strategic Case	1	Questions within the Strategic Case are mostly well answered. The Strategic Case includes an assessment of alternative options and recommendation for the preferred scheme. The assessment is set out within the context of local, regional and national policy and existing and future problems in the area to demonstrate the need for intervention. Five project objectives have been developed which are aligned with the Cheshire East Council's Local Transport Plan and linked to expected outcomes.

Economic Case	2	<p>A VfM statement has been included in the Economic Case (<i>Section C4</i>). This presents a BCR of 3.38 within the Base Scenario and a Low Scenario sensitivity test which generates a BCR of 2.73. Therefore, both scenarios result in a BCR which reflects High VfM according to DfT criteria.</p> <p>It is recommended further information is provided to inform the GVA assessment – this could be derived from GVA value per worker data and the number of jobs that it has been applied to.</p>
Financial Case	2	<p>An appropriate level of information has been provided to meet the requirements of the application form.</p> <p>Given that the business case forms the submission for final approval, it is recommended that Cheshire East Council make available to the C&W LEP via ongoing project reporting forums, the following items, as they are finalised:</p> <ul style="list-style-type: none"> • Target cost confirmation as part of future
Commercial Case	2	<p>A clear process of procurement is outlined.</p> <ul style="list-style-type: none"> • Cheshire East Council to project manage the scheme; • Design to be undertaken by Ringway Jacobs (Council Highways Service Operator); and • Construction by Eurovia (procurement via Ringway Jacobs).
Management Case	2	<p>The Management Case identifies that the project is currently at outline design stage with a report to go Cabinet in November 2019 for Ringway Jacobs to deliver and construct the project with Eurovia.</p> <p>It is recommended that Cheshire East Council make available to the C&W LEP via ongoing project reporting forums, the following items, as they are finalised:</p> <ul style="list-style-type: none"> • Outcomes from planned stakeholder consultation activities. • Confirmed construction delivery milestones following agreement

7. North West Crewe Scheme

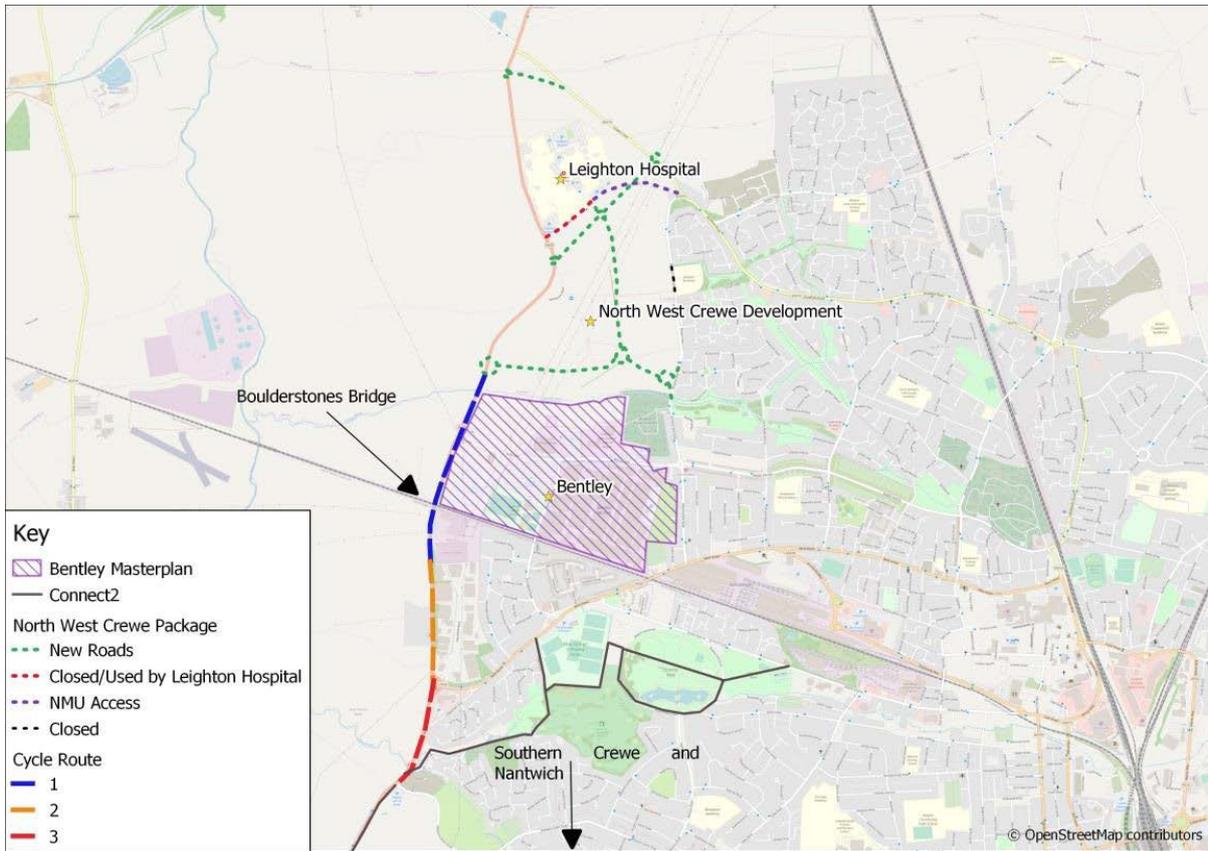
The scheme is a strategic cycling and walking link into the heart of the North West Crewe development area providing connectivity from Crewe and Nantwich to:

- 1600 new jobs;
- 1750 new dwellings;
- the Bentley strategic employment site (currently employs 4500 staff);
- Leighton Hospital; and
- Other existing residential areas.

The route will also connect into the existing Connect2 cycle route.

The scheme will cost £1.85m to deliver with £700k requested from LGF (38%).

Map showing route:



The scheme will be split into two phases to allow early delivery of phase 1. There is a small piece of land required for Phase 2 which will need to be compulsory purchased.

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

7.1. Scheme Objectives

The objectives of the scheme are the same as the Wilmslow scheme set out above. Importantly the scheme will give improved non-motorised access to Bentley motors a major employer in the area.

7.2. Key Milestones

KEY MILESTONES	START	FINISH
Tender Period	Mar 20	Sept 20
Contract Award		Sept 20
Construction Period	Oct 20	Dec 20

8. Outputs

The outputs have been calculated in the business case which include a figure of for GVA of £118m as part of the wider NW Crewe Infrastructure package. As this figure can't be clearly broken down for this project it is recommended that it isn't contracted.

The expected outputs to be delivered from the schemes therefore are:

Outputs	
New cycleway	1.5km
Private Sector Leverage (£)	850,000
Public sector Leverage (£)	300,000

8.1. Risks and Issues

An assumed Contingency and Risk allowance of 15% has been applied to the project construction costs. The council has confirmed they will meet any cost overruns.

There is a small strip of land required for the scheme which is outstanding. The owner has been difficult to track down and is understood to live overseas. The land will have to be compulsorily purchased which will take time. In order not to delay delivery of this scheme and risk not spending the LGF on time, the scheme is being split into two phases. The LGF will be used to complete Phase 1. The council will complete phase 2 when the land has been acquired.

8.2. Financial Summary

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

	(£)
LGF3 Grant	700,000
LTP Active Travel	400,000
S106	300,000
CEC capital Match	450,000
Total project funding	1,850,000

8.3. Value for Money

The scheme's benefits have been calculated to have a BCR of 2.6-3.4 which according to DfT criteria, represents **high Value for Money**.

8.4. Independent Appraisal

Aecom has completed an independent appraisal and given the business case an overall rating of "substantially met". A summary of the key comments is below:

Case	Status	Aecom comments
Strategic Case	2	The Strategic Case includes a review of the existing policies and evidence that supports the case for change. It considers the scheme within the wider policy-fit alongside its ability to overcome existing and future problems identified in the area.

Economic Case	2	A VfM statement has been included in the Economic Case and presents a BCR of 3.37 within the Base Scenario and a Low Scenario sensitivity test which generates a BCR of 2.66. Therefore, both scenarios result in a BCR which reflects High VfM according to DfT criteria. The VfM statement considers the BCR and non-monetised benefits for walking trips that were not able to be captured within the economic appraisal. The inclusion of non-monetised benefits is good and the VfM statement acknowledges the BCR only provides a conservative assessment.
Financial Case	2	The total cost estimate for the scheme is £1,850,000 including 15% risk. Where cost savings are realised, Cheshire East Council propose to reinvest in further walking and cycling network improvements identified in phase 3 (subject of a separate business case development process). An appropriate level of information has been provided to meet the requirements of the application form.
Commercial Case	2	A clear process of procurement is outlined. The Commercial Case identifies a single procurement route for the delivery of the scheme.
Management Case	2	The Management Case identifies that the project is currently at outline design stage with a report to go Cabinet in November 2019 for Ringway Jacobs to deliver and construct the project with Eurovia. The Management Case sets out the high-level delivery structure to oversee the delivery of the project. Key risks are summarised, including mitigation measures.

9. Appendices

Aecom appraisals

Business cases



Cheshire & Warrington Local Enterprise Partnership Performance and Investment Committee

Title: Energy Fund bids

Agenda item: 6

Prepared by Rachel Laver

Date of Meeting: 18th December 2019

1. Executive Summary

We have a total of £4.1m LGF available for energy projects. Following an open call, we received 14 applications which were shortlisted to 6 with two reserve projects.

This report reviews five of the applications with the sixth due for consideration by P&I in January due to the funding request changing.

Business cases have been submitted for each project which are on the whole of high quality. Internal appraisal of the projects has been undertaken.

Collectively the projects present a great opportunity for the sub-region to drive forward with its low carbon agenda and really helps to raise the profile of the sub-region as a place for low carbon innovation. Several of the projects are the first of their kind and will help test new technology which will help industry reduce their carbon footprint and become more efficient, helping to support the local economy in doing so.

How to allocate the remaining Energy funding, currently estimated at £96k should be considered after the final project is considered in January, when the remaining amount of funding is clear.

2. Recommendations / Actions / Decisions Required:

Recommendations vary between projects and therefore the committee is asked to consider the individual recommendations of each project.

3. Background

Bidding was awarded for an Energy fund in LGF round 3. Strategy Committee agreed the priorities of the fund following a poor response to a call last year. 14 applications were received which were prioritised. The top six projects and two reserve projects were asked to submit business cases.

Business cases have been received from the top six projects. The two reserve projects decided not to submit business cases for various reasons. Crewe Town Centre Heat Network has been referred to the Strategy Committee as the LGF grant request has increased by £100k since the application was submitted.



Therefore, this project won't be considered before strategy committee have said whether they're happy for it to be considered for approval.

The projects are summarised below:

Applicant	Name of Scheme	Description	Total Project cost (£)	LGF requested (£)
Blue Orchid	Low Carbon Energy Efficiency Grant	Energy Audit and Grant programme for SMEs	1,320,030	600,000
Storengy	Vanguard	Green Hydrogen Generation and refuelling station at Middlewich refuse truck depot. Four vehicles to be converted to Hydrogen. Refuelling services to be made available to NW hydrogen alliance members.	1,035,000	300,000
EA technology	Netzero Cheshire	Development of a net carbon-zero smart energy building. Including ground sources heat pump, LED lighting, PVs, 20 EV charging points	753,000	335,000
Waste2tricity	Protos Hydrogen Production facility	Scheme to covert waste plastic to electricity and hydrogen	19,000,000	1,250,000
SP Energy Networks/ EA Technology	Delivering Network Visibility in Cheshire's Energy Innovation District	Collecting data from 673 sub stations to help understand constraints and trade variable loads	1,650,168	825,084
This project needs to be considered by Strategy Committee				
CEC	Crewe Town Centre Network (heat and Electricity Micro-grid)	Micro grid in centre of Crewe using low carbon heat - gas and PV	2,672,268	700,000
Total		6	26,730,466	£4,055,084



Funding remaining unallocated	95,986
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A more detailed review of every project against the five-case model is below.



4. Project 1 – Blue Orchid

4.1. Description

The project is to work with SMEs to provide them with technical and grant funding support to improve their resource efficiency and reduce their carbon emissions.

Total Costs of project £	LGF requested £	Outputs generated		Start and Finish date
1320030	600,000	Private Match	£720k	Jan 20 Dec 21
		Jobs Created	40	
		Businesses Assisted with grant support	30	
		Energy Audits	50	
		GHG reduction tonnes (total):	2,260	

GHG= Greenhouse Gas

4.1.1. Strategic Case

The project has a strong strategic case closely aligned to the Strategic Economic Plan.

The issues the project aims to address are clearly articulated as are the expected outcomes of the project.

The project will not able help businesses become efficient helping their long-term viability but will help reduce carbon emissions. The provision of grant funding for equipment and technology will help showcase to other businesses what steps could be taken to address their carbon footprint and helps support the low carbon supply chain by increasing demand for products which helps drive down their costs.

4.1.2. Economic Case

A robust economic case has been presented. They have calculated a BCR which is 2.41 which represents excellent value for money. They have explained the basis of the calculations for each of the outputs which appears sound.

4.1.3. Financial Case

Due to the nature of this project no risk allowance is required. They are clear about the levels of support available for each business and the number of energy audits they will be able to complete. They have provided a full breakdown of the costs of the scheme which are based on delivering a similar service with other grant funding.

They have confirmed that they will be able to cashflow the project and that they will meet the revenue costs of administering the programme which will be £120k. They will meet any revenue costs increases.



SMEs will provide 60% of the costs of any equipment to be acquired with the LGF being used to grant fund the 40%.

The capital costs won't go up. They will be fixed by the amount of grant funding available. It may be that the very last grant they make under the scheme will be less than 40% of the costs just due to the amount of funding remaining.

4.1.4. Management Case (delivery)

The project will be delivered in conjunction with Groundwork. The activities of both organisations have been detailed. A service level agreement (SLA) will be put in place in due course.

It appears that both organisations have the appropriate depth and relevant experience to deliver this project.

They have used evidence from the Cheshire Business survey to help support demand for the project which included that "42% of businesses regarded energy costs as a barrier to growth". They have looked at where other similar schemes are running across the country of which there are 16. By not having this type of scheme, it could be argued that Cheshire and Warrington businesses are at a disadvantage.

A project plan has been provided as well as details of the management systems which will be used to support delivery of the project. They intend to undertake post project evaluation which is good to see.

4.1.5. Commercial Case

The procurement of the equipment will be done by the SMEs but following the Blue Orchid published procurement guidance.

All equipment will be subject to an open procurement process which should help ensure value for money.

4.1.6. Conclusion and Recommendations

The bid is well written and comprehensive, with detail appropriate to the size of the funding sought. The project has a clear strategic fit and will offer excellent value for money when considering all the outputs.

That the Funding is awarded to Blue Orchid with the following conditions:

- Confirmation that there will be no state aid to either them or the SMEs receiving the grant funding and support.
- Confirmation that the funding will be fully defrayed by end of March 21
- That a minimum of 10 case studies are provided on businesses that receive support so that these can be showcased on the LEP website.



5. Project 2 – Storenergy; Project Vanguard

5.1. Description

The project is to provide a hydrogen generation and refuelling station demonstrator at Cheshire East refuse truck depot in Middlewich. A large solar panel will be installed to fuel an electrolyser operating on grey water recovered on the site. This will produce green hydrogen to be used by two refuse trucks converted to hydrogen and one vehicle owned by Storenergy.

The facility will create approximately 12kg a day and the lorries will be able to hold 6kg of hydrogen which will give them a range of 200 miles. The lorries will use 50% diesel and 50% hydrogen.

CEC will meet the additional electricity costs on site as solar power may not be fully adequate all year. The net revenue costs to CEC after diesel savings will be £800 per year. Storenergy will meet the costs of maintaining the equipment.

Total Capital Costs of project £	LGF requested £	Outputs generated		Start and Finish date
1,035,000	345,000	Private Match	£335k	Jan 20 Construction complete March 22
		Public Match	£300k	
		Jobs Created	58	
		GHG reduction tonnes (per annum):	20	
		GVA (Total)	£4.9m	

5.2. Business case

5.2.1. Strategic Case

The project will be the first of its kind in the UK and has clear fit with the SEP's clean Energy and innovation priorities. The project supports the development of the Hydrogen Cluster identified in the Energy and clean Growth Strategy.

It will be a demonstrator project. If successful the scheme can be used to showcase local, low cost hydrogen production, helping to raise the profile of the technology and hopefully encouraging the development of similar schemes across Cheshire and Warrington as well as Nationally.

The scheme will be part of the Environmental Hub in Middlewich.



5.2.2. Economic Case

The project will create 59 jobs over the lifetime and the return on investment has been calculated at 5.5. The intervention rate for the project is 33% so there is a good level of match funding.

The main benefit of the project though will be in helping to showcase new and innovative technology and raising the profile of Cheshire and Warrington in the clean growth sector.

5.2.3. Financial Case

The schemes costs are going to be funded as follows:

Funder (£)	Contribution (£k)
LGF	345
CEC	300
Storengy	315
Ulemco	20
Total	1,035

The costs include a 5% contingency in addition to a £100k overspend budget approved by Storengy.

5.2.4. Management Case (delivery)

The project will be delivered by Storengy and CEC.

Preplanning discussions have been held with CEC but planning permission has not yet been granted and is a pivotal to the delivery of the scheme.

A decision will be taken in August 20 as to whether to proceed with the scheme, based on whether planning has been granted. This puts the LGF at risk, as should the scheme not be viable, we would have only 6 months to reallocate and spend the funding.

CEC have said they won't agree to a planning application being submitted until a grant offer has been made for the LGF. It has been confirmed that if the project is approved this month, the application will be submitted by February with a planning decision expected by May and therefore the point at which they will know whether the project would be viable would be May.

5.2.5. Commercial Case

Quotes have been received for the electrolyser equipment so there is a good deal of cost certainty. They will make use of CEC's frameworks where possible and tender for the procurement of the fuelling plant and vehicle conversions.

5.2.6. Conclusion and Recommendation

This is an innovative interesting project in an area that currently has strong interest. A good level of match funding has been secured and the delivery and management appear well considered.

The biggest risk to the delivery of the project is the planning permission and therefore it is recommended that a grant is offered but subject to planning being approved by the end of May.



It is recommended that funding is approved for the scheme with the following conditions:

- The equipment stays on the site for use by any other company should CEC appoint another waste operator within three years.
- The scheme should operate for a minimum of three years (ideally five)
- Storengy/CEC should write a case study on the scheme following 1 year of operation to disseminate the findings/results and at the end of the project. This should be shared with all appropriate bodies.
- Confirmation that CEC's funding is secured.
- Confirmation that provision has been made for maintenance costs for a minimum of three years.
- The planning application should be submitted no later than February. If planning permission has not been granted by the end of May, the funding offer will lapse.
- No funding to be paid until planning permission has been secured.



6. EA Technology - Netzero Cheshire

6.1. Description

The project is to create the world’s first live, fully operational demonstration of an integrated net carbon-zero smart energy building. EA Technology will install the following technology at Capenhurst Technology Park:

- 300kw ground source heat pump
- A 50kw Photovoltaic array
- Energy storage
- 20 electric vehicle chargers to include a fast charger
- LED Lighting
- 2 VisNets to provide network visibility- (energy network monitoring device)
- Smart multi-vector management software to allow communication and balancing of loads

As part of the project EA technology will hold quarterly open days until the end of 2025 to enable people to visit and learn about the technology, they will produce a manual to be published and produce a website to showcase the technology and update on its operation.

Total Capital Costs of project £	LGF requested £	Outputs generated		Start and Finish date
753,000	335,000	Private Match	418,000	January 2020 March 2021
		Jobs created	2	
		Electric Vehicle charging points	20	
		GHG reduction tonnes per annum:	87	

6.2. Business case

6.2.1. Strategic Case

The strategic case for the project is very strong. The project fits clearly with the SEP and the Energy and Clean growth strategy as well as the Government’s Industrial Strategy and Grand Challenges.

It helps demonstrate how businesses can viably reduce their carbon footprint and will help further promote Cheshire and Warrington as a centre of excellence in low carbon technology, helping to work towards achieving a low carbon economy by 2040.

The project will also link with the Network Visibility project which is subject to a LGF grant application and is detailed further on.



6.2.2. Economic Case

A lengthy explanation is given of the likely benefits of the project, calculated up to the end of 2040. The BCR calculation included isn't correct. However, in terms of economic benefit this is a demonstrator project. It is an opportunity to show case low carbon technology, which if it is taken up by businesses will create supply chain benefits. Importantly this scheme shows the sub-regions commitment to a low carbon economy by providing a hopefully workable, affordable solution for others to follow.

The GVA figure, jobs and GHG reduction figures given have all been calculated based on all Cheshire business units being converted to net-zero solutions. Due to the uncertainty about the take up it is recommended that these figures aren't used, but rather the figures directly attributable to Capenhurst only.

The outputs likely to be generated for just Capenhurst for this project are included in the table under 6.1 and appear to offer good value for money. The intervention rate is 45%.

6.2.3. Financial Case

The costs of the scheme appear to have been well thought through and considered. EA technology has committed funding to the project and has already invested in LED lighting.

Prices for some of the equipment are still being negotiated, and a breakdown of costs has not been provided, therefore it is recommended that a grant condition be added that EA technology will underwrite any cost overruns for the scheme.

Funder (£)	Contribution (£k)
LGF	335
EA technology	418
Total	753

It should be noted that some of the match funding from EA Technology has already been spent on the LED lighting.

6.2.4. Management Case

EZ technology will act as a project manager for the duration of the project and will hold monthly project board meetings which will conform to the ISO 21500-2012 international standard for project management which is pleasing to see. The project board will report quarterly to the EA Technology board. A high-level risk register has been produced.

EA Technology will work with UOC to develop the Multi-Vector Energy Management software.

The management of the project as put forward seems robust.



There are delivery risks. Currently some of the grant isn't profiled to be spent until March 21 leaving no room for delays or issues. It is recommended that the LGF be used to fund the ground source heat pump which will cost £300k and will be complete by December and see if the installation of the solar pvs can be bought forward.

6.2.5. Commercial Case

The equipment and services required for delivery of the scheme will be procured by EA technology. As EA is part funding the project it is in their interests to achieve value for money. A breakdown of costs will be provided as part of the claim process. Any savings to the overall project costs will see a corresponding reduction in the LGF grant.

6.2.6. Conclusion and recommendation

The project appears well thought through and developed. It is an innovative demonstrator project providing an excellent example of low carbon technology which can hopefully be replicated across Cheshire and Warrington in due course. The fact that they are going to hold quarterly open days, produce a manual and have a dedicated website shows their commitment to disseminating information about the technology and hopefully that positive results.

It is recommended that funding is approved for the scheme with the following conditions:

- They seek confirmation that the grant would be state-aid compliant.
- The equipment stays on the site for use by any other tenant should EA technology not renew their lease
- The scheme should operate for a minimum of five years.
- Confirmation that EA technology will underwrite the costs of the scheme.
- Confirmation that provision has been made for maintenance costs for a minimum of 5 years.
- The planning application should be submitted no later than February for the boreholes. If planning permission has been granted by the end of May, the funding offer will lapse.
- No funding to be paid until planning permission has been secured.



7. Waste2tricity - Protos Hydrogen production facility

7.1. Description

The project is to convert unrecyclable plastics to electricity and road fuel hydrogen at the Protos site near Ellesmere Port. Plastic is burned in a kiln producing Syngas which is cleaned, some is used to operate the kiln. The hydrogen is separated, and the tail gas powers gas engine generators. The heat recovered raises process steam for export. The hydrogen will go to a hydrogen filling station on site and the electricity will be exported to the local Protos grid.

The project will divest plastic away from landfill while creating energy with a low carbon footprint and showcases a way that waste plastic can be dealt with in a more sustainable way.

Protos is part of the Energy Innovation district and is in an area which uses 5% of all the electricity in the country.

The development of the scheme at Protos is expected to strongly influence the location of the head office function, of the technology partner PHE, who is looking at developing a number of other projects in the UK and working with Waste2Tricity to roll out projects in South East Asia. This is not guaranteed though.

The Protos site is 134 hectares of which 54 hectares is consented for waste and energy related development.

The EZ have been approached to part fund this project. If the application is taken forward it is unlikely to be considered before March. Deliverability of the scheme, or at least a discreet phase which will see the LGF fully spent by March 21 is key

Total Costs of project £	LGF requested £	Outputs generated		Start and Finish date
19m	1.25m	Private Match	17.75m	TBC
		Construction jobs	100	
		Jobs Created	14	
		GVA increase p.a.	2.8m	
		GHG reduction tonnes (total):	TBC	

7.2. Business case

7.2.1. Strategic Case

This is another very innovative project which has a clear fit with both local and national policies. The schemes will reduce waste going to landfill and being shipped overseas helping works towards the governments target to be a zero-waste economy.

The project also helps towards securing an Energy supply which is being but under pressure by increasing demand and the decarbonising agenda.



7.2.2. Economic Case

The economic case isn't presented as strongly as it could be. The contribution the scheme could make to raising the profile of Cheshire and Warrington as home to an innovative low carbon cluster isn't quantified, nor are the potential supply chain benefits of the scheme, but these shouldn't be underestimated. The project is very innovative in tackling two problems – unrecyclable plastic waste and in the creation of a hydrogen for the transport sector. It will also produce energy locally which takes pressure off the national grid.

The grant funding sought is 6.5% of the total project costs, so the match funding potentially is excellent, but as yet is unsecured. The EZ has been approached about contributing to the scheme. Initial analysis of the payback means that potentially the EZ could lend £1m. Combined with the LGF, it would help drive up the Internal Rate of Return (IRR) which would help attract investment. The EZ are unlikely to consider the investment until March.

Further clarification of the outputs has been sought.

7.2.3. Financial Case

The project is a demonstrator, reported as the first of its kind in the world. Funding for something unproven is challenging.

Very detailed costings have been provided but apart from understanding that they need to go through a fund raise and will be offering equity there is no detail of the funders and therefore no certainty that the project can be funded.

Offering a grant will help de-risk the project and make it more attractive to investors. By breaking the funding down into phases, with LGF being used to purchase the kiln and bring into operation, it will be more clear what outputs LGF can expect and when and more importantly enable clarity about when the funding will be spent.

The facility will be able to take 35 tonnes of unrecyclable waste per day which local recyclers will pay a gate fee for. This income will help meet the running costs of the scheme. Further revenue will be generated from selling power back into the grid. Only 10% of the power generated will be required to run the facility. Hydrogen will also be sold in due course but as part of phase 2 of the scheme.

7.2.4. Management Case

Planning permission for the scheme is expected by February at the latest. Details of when all the funding will be in place is as yet unclear.

W2T, Peel and PHE are committed to the delivery of the scheme and no further approvals are required from them.

A project plan has been provided which shows a total project length of 21 months which is outside the LGF programme timescales. However, potentially the kiln could be purchased and installed by March 21, fully utilising the LGF.



Public consultation has been carried out and the report is provided. There is support for the scheme.

A management committee has been established and meets regularly to review project progress. A project manager has been appointed which is good to see.

7.2.5. Commercial Case

The commercial case is very clear. The contracts work will be on a NEC 4 contract and the equipment will be procured by W2TP. They have worked extensively with the technology provider to undertake detailed engineering, to ensure the process meets the performance requirements.

7.2.6. Conclusion and Recommendation

The project concept appears to be excellent and very innovative. The project will take waste plastic that cannot be recycled and turn it into energy and hydrogen ultimately for use in the Energy Innovation district. To complete all phases of the scheme, right up to having a hydrogen fuelling station will cost £19m and funding for all this work is not yet secured.

It is recommended that funding decision is deferred, and the following is requested in order for the application to be considered at the January P&I meeting:

- The applicant provides advice to show that the LGF grant is state-aid compliant, including as part of a package of support which would include EZ funding.
- The project is broken down into phases with the costs and funding of each phase provided as well as the timescales for each/
- The outputs including Green House Gas reductions are provided.

Subject to subsequent approval it would be recommended that the funding was offered on the following conditions.

- The scheme should operate for a minimum of five years.
- Confirmation that Waste2Tricity will underwrite the costs of the scheme.
- Confirmation that provision has been made for maintenance costs for a minimum of 5 years.
- The grant would be subject to planning approval being gained no later than March. After this time the grant offer would lapse.



8. SP energy networks/EA Tech - Delivering network visibility in Cheshire's Energy Innovation district

8.1. Description

The project is to install monitoring equipment into all 673 Low voltage substations within the Cheshire Energy Innovation district. This will collect data to improve the reliability of the power network and enable the following:

- 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.

Total Costs of project £	LGF requested £	Outputs generated		Start and Finish date
1.65m	825,084	Private Match	825084	April 20- March 21
		GVA p.a.	£4m	
		Jobs Created	58	

8.2. Business case

8.2.1. Strategic Case

The project has an excellent strategic fit. It fits with national policies such as The Climate Change Act Industrial Strategy and the Government’s Grand Challenges as well as with the SEP and the LEP’s Clean Growth Strategy.

The project actively promotes and assists the transition of the current network to a smart energy network and is key component in promoting the Energy Innovation District as a centre of excellence.

As the demand for electricity increases with the move from gas heating to electric heating and from combustion engines to electric vehicles it is increasingly important to manage the electricity grids more effectively.

This project will enable electrical loads to be moved from peak times, which will reduce costs and disruption and create a local marketplace for energy. The data will also help inform future infrastructure requirements which will be shared with OfGEM to support business cases for new infrastructure. It will enable SPEN to be proactive in planning improvements which will help support the take up of for instance electric vehicles, by reducing the costs of connections and being able to accurately know if there is capacity on the grid.

A similar scheme is already being piloted in Liverpool.

8.2.2. Economic Case



The outputs have been extrapolated from an ENA open Networks project factsheet which estimated jobs and GVA generated by the development of the Smart Energy Networks.

It isn't clear how the outputs would benefit and the BCR given hasn't been calculated correctly. As with all the energy fund bids, the proposals are very innovative so there isn't historical data to draw from.

The project is expected to lead to savings for consumers meaning that businesses potentially could improve efficiency and profitability.

8.2.3. Financial Case

SPEN will be contributing 50% of the costs of the scheme and EA technology and SPEN will underwrite any costs overruns.

As a pilot is already underway in Liverpool there is reasonable degree of cost certainty over the delivery of the project.

Funder (£)	Contribution (£k)
LGF	825,084
SPEN	825,084
Total	1,650,169

Most of the costs of the project are to purchase the VisNet Hub which will cost £1.14m. EA technology makes the Hubs and therefore giving a grant to an organisation to pay for £1.14m of their kit and its installation will need state-aid clearance.

Confirmation of the revenue costs of the scheme need to be provided.

8.2.4. Management Case

The delivery timescales appear tight but achievable. The LGF could be used first with the SPEN money being used to complete delivery.

EA technology will act as project managers. No planning permission is required, and the kit will be installed in sub-stations owned by SPEN.

It would have been preferable to see more details of the management of the project.

8.2.5. Commercial Case

The business case clearly sets out what the funding will be spent on but there is little other detail. The contract, if approved will be with SPEN who has researched the market. There are companies offering similar products but SPEN consider EA Technologies to be the best due to the data analysis capabilities. They have confirmed that the kit is cost competitive.

8.2.6. Recommendation



There project appears to have a clear strategic fit and will lead to a more energy efficient network in an area which uses 5% of the country's electricity.

Whether there is state aid needs to be explored, although as SPEN is a monopoly this is unlikely. The VisNet Hubs proposed to be installed are innovative but we should seek clarity that there aren't similar products on the market which SPEN could purchase potentially more cost effectively.

It is recommended that funding is approved for the scheme with the following conditions:

- SPEN seek confirmation that the grant would be state-aid compliant.
- The scheme should operate for a minimum of five years.
- Confirmation that SPEN will underwrite the costs of the scheme and the revenue costs.
- Confirmation from SPEN that the match funding is in place no later than end of February.
- Requirement to carry out an evaluation of the project after 1 and 5 years of full operation and publish the results to enable other energy providers to understand the benefits.

Delivery Plan key action monitoring

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

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

6. Recruit Pledge Facilitators to establish and support 10 local Pledge Partnership Boards	Q4	↗	13 staff now employed. 90% of all secondary schools engaged before the summer break. Now developing coherent plan of activities across Cheshire and Warrington.
7. The Skills and Education priorities to be reviewed and evaluated and a Future Strategy for Skills developed from it.	Q4	→	ongoing
Strategy			
1. Develop and publish the Local Industrial Strategy (LIS) for Cheshire & Warrington	Q4	↘	Drafting of the Local Industrial Strategy is almost complete and is ready for testing with Government. There remains uncertainty over the Ministerial position in respect of Industrial Strategy nationally, and the election has pushed back the sign off / write round process within Government probably until the New Year
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. work on the digital infrastructure plan is behind the original schedule and is now commencing in December 2019.
4. Complete the development and publication of the LEP's Science and Innovation Strategy and Delivery Plan.	Q1	→	Delayed. Final draft now received and due for publication after the end of Purdah
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	→	Underway. 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			
<p>1. Specific Outputs to be achieved by end of 2019/20:</p>			<p>Funding of £1.5m for additional support has been offered by BEIS. All the outputs below are to be reviewed and updated by the end of October.</p>
<p>1,350 Enquiries from individuals and businesses require support to start up and with growth (150 businesses are scale-ups with the aspiration and potential to deliver significant turnover growth over the next 3 year period of at least 50%):</p>	Q4	↗	<p>Overall we remain in deficit and expect this to remain through to year end. In November 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 grant funding confirmed by BEIS to March 2021 we are in recruitment phase for x1 FTE Business Growth Broker, once again.</p>
<ul style="list-style-type: none"> • 450 businesses and individuals supported – low intensity support (circa 1 hour support) 		↗	<p>With the increase in enquiries the gap is closing on the deficit and expect to be a variance circa a quarter at year end. With new software and implementation of ESF skills programme we have further potential to reduce the gap.</p>
<ul style="list-style-type: none"> • 800 businesses – medium intensity support (Information Diagnostic and Brokerage) 		↗	<p>We remain significantly under target. Although with the new FDI Account Manager now undertaking visits and the current recruitment phase the ability to service will increase. Still expect to end the year under target. Looking to target activity also to increase outputs.</p>

<ul style="list-style-type: none"> • 100 businesses – high intensity support (Over 12 hours) 		↘	This month the FDI Account Manager mobilised and we will start to see account management of 12+ hrs being reported. The Core team with current resource are unable to account manage at the same level. Once recruited anticipate we will also see an increase in the next Financial Year.
660 Businesses being signposted and referred to a business support programme/s		→	373 referrals YTD for 217 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	↗	Recent discussion with the leadership team to commence the development of the brief for the new website and then integrate into the LEP Corporate activities and rebrand. This method may incur additional costs overall.
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. Training has been completed across wider LEP. Current position full business process mapping across all service areas deadline end of December. Negotiations with current provider to extend interim contract.

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 priorities schemes ongoing. The process for prioritising studies and/or business case development for potential LEP funding contributions has been agreed by LTB
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. Likely to be complete by end of Q3.
3. Develop a strategic outline business case for re-opening Middlewich rail Line	Q1	→	Feasibility study complete. SOBC to be complete by end of Q3.
4. Work with CEC and other sub-regional partners to ensure Crewe operates as a genuine HS2 hub station, enabling easy, quick connections to the rest of C&W and beyond.	Q3	↘	Working with CEC to develop draft business case. Discussions ongoing. HS2 review will impact on the deadline.
5. Influence Transport for the North to reflect the sub-regional priorities	ongoing	→	Ongoing. LEP and LAs feeding in on a regular basis and have representation of all the TfN groups.
6. Ensure continued successful delivery of projects in the LGF programme, achieving spend of at least £16 million	Q4	→	17.4m spent by the end of q2. Working to achieve spend of £25m by end of March 20.

7. Put in place a £4m investment programme to develop the region's energy infrastructure	Q2	↘	Business cases received and in assessment. 5/6 due to be considered at December P&I meeting for approval.
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	→	Expect to appoint fund manager by the end of the year and launch fund in the New year.
Enterprise Zone			
1. Develop a long-term strategy for the development of the Cheshire Science Corridor linked to the Local Industrial Strategy	Q1	→	Discussion paper on long-term strategy for Science Corridor taken to Sep EZ Board
2. Develop a business case for the Crewe Hub EZ to support the delivery of the new HS2 station at Crewe and maximise the benefits of HS2 for the wider sub-region	Q2	→	Revised draft business case due by end Nov. Ongoing conversations with BEIS, DFT and MCHCLG. Waiting of outcome of HS2 review.
3. Develop and actively manage the investment pipeline for the Cheshire Science Corridor EZ	Q4	→	Active discussions with landowners developers about prospective investors at Alderley Park, Birchwood Park, Hooton Park, Protos, Newport Business Park and Thornton Science Park
4. Invest £12.8m in 8 new schemes in the Cheshire Science Corridor EZ	Q4	→	Business case for £4m investment at Alderley Park considered by Sep EZ Board. Draft business case for £3m investment at Birchwood received. In discussions with Redsun about Phase 2 development at Hooton Park and with two prospective investors at Protos.
5. Attract 55 new businesses into the Cheshire Science Corridor EZ	Q4	↗	20 new businesses at end Q2.

6. Attract 1,200 new jobs onto the Cheshire Science Corridor EZ	Q4	↗	112 new jobs at end Q2. Target is premised on Royal London landing at Alderley Park in early 2020.
7. Create 580,000 sq ft of new floorspace in the Cheshire Science Corridor EZ	Q4	↗	560,000 sq ft new floorspace currently under construction. In discussions regarding a further 250,000 sq ft of development in the EZ
8. Leverage £72m of new public and private sector investment in the Cheshire Science Corridor EZ	Q4	→	£9.3m private sector investment in Q2. £50m investment in existing projects under construction that will complete this year.
9. Generate £1.7m in retained business rates from the Cheshire Science Corridor EZ	Q4	↘	£1.53m forecast retained business rates in local authority NNDR1 forms
10. Support University of Chester to secure a JV partner for the development of Thornton Science Park	Q4	↘	OJEU notice expected to be issued in December.
11. Promote the wider science corridor in conjunction with neighbouring LEPS.	Q4	↘	Not started - waiting for rebrand/updated marketing material for Science Corridor
12. Develop business cases for Enterprise Zones elsewhere in Cheshire and Warrington to be deployed when the opportunity arises.	Q4	→	Business case for the creation of a Crewe HS2 Growth Corridor under development.
In the process of securing £30m loan facility from the three local authorities	Additional	→	Expected to be complete by end of year.
Marketing and Comms			
1. Establish Marketing Cheshire Board's leading governance role on Marcomms for LEP; working in partnership with local authority partners and other sub-committees as appropriate.	Q1	→	Sub-committee in place meeting 3-weekly.
2. Develop and implement a multi-channel corporate communications and marketing plan, including delivery of campaign activity	Q1	↗	GH comms is ongoing, and we are now in the planning stages for business engagement for corporate activities in 2020.
3. Development of a place marketing and inward investment strategy (including future appearances at MIPIM) for Cheshire and Warrington	Q2	↗	Brief have been written and will be issued with a view to appointing early January. Evidence on track to be presented to leaders in Q4.

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

Commence recruitment of a new Chair to ensure a timely handover	Q2	→	Warren and partners were appointed as "head hunters "after a tender process. Conversations are happening with potential candidates and with individuals who can recommend others. The recruitment will be lead by the Appointments and Remuneration committee, with the panel comprising Robert Davis, Roger Marsh, and an LA Leader. Candidates will also meet a panel of local authority stakeholders. Final interviews are scheduled early in 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	Q1	→	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	↗	Board task group established which met on 8/11/19. Proposals will be discussed by the Board in December with a view to running a recruitment campaign in early 2020. Aimed at 18-27 year olds. Board of 10-12





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

Title: Programme Manager Update Report

Agenda item:8

Prepared by Rachel Brosnahan

Date of Report: 18th December 2019

1. Executive Summary

The main focus of activity in the last month has been processing the Energy fund applications, putting the paperwork together to appoint the Evergreen Fund manager and preparing the Annual Conversation.

There haven't been any notable issues with any projects in the last month. Warrington West Station will formally open on the 16th December, which is a great achievement as the project has been in development for twenty years.

The first skills projects to have been contracted have now mainly started spending, issuing contracts for them all has been slower than expected due to gaps in information. One project had overstated the match funding so has had to go back to the Employer and Skills board for approval.

Achieving £25m of spend by the end of March still looks tight especially as projects which have just been approved have already slipped behind profile, but if projects continue to push on with delivery the target should be met. Warrington East Highways phase 2 and Sutton Way Boulevard schemes should complete in the next quarter and Ellesmere Port One public estate will start in January.

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

Below are updates on projects by exception:

1.1. Sustainable Travel Schemes

The CPO inquiry for the Burtonwood to omega scheme lasted less than half a day. Secretary of State approval is now awaited.

The CEC transport projects are covered in a separate paper seeking approval

Business cases for the two remaining WBC schemes have been completed and are being appraised. They are still on track to be considered for approval in February.

The two remaining CWAC schemes have now slipped to January.

1.2. Energy Fund

A report covering five of the energy projects is covered separately. The sixth business case shortlisted will need to go back to strategy committee as the funding requested has increased by £100k which while affordable within the programme needs approval.

There will be £94k left unallocated in this fund and thought will need to be given as to how best to allocate this funding.

1.3. Skills Fund

Offer letters have been issued for six projects and it is hoped these projects will press on with delivery and submit claims in January.

The remaining projects have gone to Employer and Skills (E&S) board for approval. These will need to be considered at the January P&I meeting following a review.

There will be £100k-£200k unallocated. E&S are going to look at how they want to allocate this funding.

2. Finance

We won't have any updated spend figures until the q3 claims have been submitted in January. We must spend £7.6m by the end of March in order to spend the funding carried forward from 16/17. We have currently spent £17.4m this year and a £91m overall out of the £128m programme.

We will need to start thinking about how to manage slippage as we move into the final year. It will be necessary to take a view on projects performance by the end of q1 and if it isn't clear that the LGF can be spent by March 21 then it is recommended that we look at whether the funding can be used by other projects.

3. Growing Places Fund (GPF) Update

Cheshire Green continues to progress well. Another two sites have been disposed of. The agreement to increase the loan facility has been agreed.

4. Evergreen

The first board meeting of the new company was held, and the board agreed the appointment of the preferred fund manager. CEC are still working through their approval process. It is hoped this will be concluded by Christmas so the fund manager can be appointed.

5. Outputs

The outputs have been updated to include those of projects contracted in the last month. There is no difference in outputs achieved as we won't have this data until the end of the quarter:

Outputs	BEIS Target	Contracted on projects	Achieved to date	Percentage achieved (against Contract)
New Commercial Floorspace (sqm)		700,344	359,326	51%
Renovated Commercial Floorspace (sqm)		2880	2880	100%
Businesses receiving investment		29	14	48%
Jobs created	16125.65	15,896	8,101	51%
Private sector Leverage	354.54	751	619	82%
Public Sector Leverage		236	119	51%
New homes completed	6,044	14,108	3,031	21%
New home starts		11,563	2,217	19%
GVA		32.815	13.488	41%
Space occupied at Alderley Park (sqft)		18580	1244	7%
Total amount of new road (meters)		1201	1081	90%
Total amount of road resurfaced (meters)		2120	2920	138%
Constructions jobs		1122	150	13%
Learners benefitting		26854	25	0%
New Cycleway (m)		11064	0	0%
Business Supported/Benefititing		1278	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%

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	Profiled 19/20	Actual Q2	Profiled q3	Actual q3	Profiled 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	19,636,935			16,549,299					-	33,167	
Total Balance (profile +/-)				14,520,000	45,787,235	27,639,466	27,158,271			20,539,391					4,679,462		
Completed Projects																	
Housing Fund Revenue (CWAC)	7,500,000	100.00	7,500,000	7,500,000					7,500,000							7,500,000	
DFT Tail majors including Crewe Green Link Road	25,747,350	18.64	4,800,000	4,800,000					4,800,000							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	554,679		-	1,369,011	10,000,000	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	5,300,000.00		2,383,532	1,804,104	582,364	-	4,770,000						530,000	5,300,000	Updated April 19
Ellesmere Port Central Development Zone	17,392,000	47.91	8,332,228			-	361,413	974,960	1,336,373	3,000,000	767,465	250,000		1,775,040	3,995,855	8,332,228	Updated may 19 to show 100% of costs being met by LGF for the yr
Poynton Relief Road	50,700,000	11.05	5,600,000		-	-	5,040,000	-	5,040,000						560,000	5,600,000	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	2,929,125	69,836,283	4,954,171	2,721,630	804,679		1,775,040	3,716,844	77,922,145	
Funding defrayed on CEC projects					21,618,528				69,836,283								
																	12,073,850
LGF3			Indicative allocation / Profile														
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		1,213,300	2,018,039	2,267,129	1,152,814	679,904		1,000,000	1,928,131	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	868,553	1,277,594	2,000,000	370,337	500,000		750,000	1,390,959	3,800,000	Updated April 19
Tarvin Road	5,427,000	67.50	3,663,000			-	285,990	301,690	587,680	1,199,223	289,128	100,000	39,213	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	2,679,868	6,210,000	3,369,868	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	25.1	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						268,420	
Reaseheath College - automatic dairy	736,000	89.13	656,000							45,000						656,000	
Livewire Warrington	37,892	52.76	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	
CCSW - Digital and Advanced Engineering Skills project	2,230,749	40.96	913,648							124,702					788,947	913,648	
Macclesfield College - Chef's Whites Academy	200,000	12.50	25,000			14,427		14,535	28,962						10,573	25,000	
Reaseheath College - Controlled Env. Food production Centre	340,000	100.00	340,000														
UOC- High Performance Private Cloud	1,968,308	45.37	893,000							200,000					693,000	893,000	
Carpe Diem - IOTA	398,560	35.77	142,560														
AMET Centres - Warrington Campus and Vale Royal Campus	1,369,000	47.92	656,000														
Macclesfield College - Specialist digital and advanced manufacturing equip	551,219	94.63	521,615														
Blue Beck - gaming support and development	336,000	43.75	147,000														
Skills funding not yet allocated	322,044	100.00	322,044												2,129,219	2,129,219	
Sub total	9,326,278	53.61	5,000,000				14,427	14,535	28,962	659,612		17,398			252,340	4,325,962	5,000,001
Energy Innovation																	
Blue Orchid - Low carbon Energy Efficient grant	1,320,030	45.45	600,000												3,151,070	600,000	Updated May 19
Storengy - Project Vanguard	1,035,000	33.33	345,000											345,000	345,000	345,000	updated dec 20
EA Technology - Netzero Cheshire	753,000	44.49	335,000												335,000	335,000	
Waste2tricity - Protos Hydrogen production facility	19,000,000	6.58	1,250,000												1,250,000	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	
Unallocated Energy Fund monies			95,986												95,986	95,986	
Sub-total	26,730,466	15.53	4,151,070												345,000	4,151,070	4,151,070
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)	1745,000	40.11	700,000												700,000	700,000	Seeking full approval Sept 19
A5117 Cycle Route, Ellesmere Port (CWAC)	602,000	63.12	380,000							100,000				100,000	280,000	380,000	Estimated profile
Station View and Canal Towpath (CWAC)	4379,000	15.53	680,000							200,000				200,00			