



GFirst Local Enterprise Partnership

Board Paper – 8th October 2019

Agenda Item 5	Growth Deal Programme Update to end of Q1, Financial Year 19/20
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Supporting Papers	LEP Dashboard up to end of Q1 Summary Outputs Table Programme Forward Look Rev20
Confidentiality	LEP Dashboard, Summary Outputs Table, Forward Look are public documents.
Purpose	<ol style="list-style-type: none"> 1. To inform the Board of: <ul style="list-style-type: none"> - Progress to date of delivery of the Growth Deal Programme 2. To inform the Board of <ul style="list-style-type: none"> - Key highlights and issues arising for the Programme
Summary	<p><u>Local Growth Programme</u></p> <p>To date we have out turned £66.18 from a total of £101.7m. Actual spend to date is £56.96. The lag between these 2 figures is where we have out turned funds to approved schemes with funding agreements under the delegated transport schemes arrangements with Gloucestershire County Council.</p> <p>In line with guidance and instruction from BEIS, the following changes were made to this Q1 19-20 return:</p> <p>Elmbridge project: This has been removed from our returns completely so that actual and outturn expenditure is reduced by £9.070 million.</p> <p>Cheltenham Cyber Park enabling infrastructure project: This £22m project was originally a retained scheme, with £3,300,000 allocated in 18/19 from DfT. However, as the £3.3 million was paid by DfT, this element has been removed from the LGF returns in 18/19 in terms of expenditure (outturn and actual) and forecasts. Thus leaving £18.7m of funds which will be reported to BEIS.</p> <p>This shows our LGF Award as a revised figure of £89,343,581 for reporting to BEIS purposes only. The Growth Deal figure allocated to Gloucestershire still remains as £101,716,000.</p>

Major highlights for this period as follows :-

- There have been a number of developments with **The Growth Hub**:-
 - The Funding Agreement for the Stroud Growth Hub was signed 6th June. Marketing and PR have been completed to formally announce SGS College as the Growth Hub Network Partner that will manage and run the Stroud Growth Hub.
 - The Innovation Laboratory in Coleford was relaunched on the 29th July. The project manager for the Innovation labs will now start to work on the Gloucester Lab. A meeting with the LEP, including the Education team, to discuss plans and synergies with the Gloucester Lab took place on Monday 2nd September.
 - The contract for the three year project extension for Growth Hub Core has been confirmed.
 - Delays to both the opening of the Forest of Dean and Cheltenham may impact on match funding for the project this is being monitored to mitigate any risk to project finances.
 - Work with the Gloucestershire County Libraries has received recognition at a National Libraries Conference.
 - GFirst LEP has been asked to work with Be the Business on the roll out of the national mentoring initiative in the South West.

- **GREEN** have joined the UK Science Park Association in recognition for what has been created on the Berkeley site. Gloucestershire Police will be opening a new training College and Conference Centre in Building 12 on site. Wilmot Dixon will start shortly on site and continue through to early 2020.

- **Gloucestershire College STEM Centre** received notification that their application for Institute for Technology funding had been approved in principle to create Engineering Labs at the Cheltenham campus and to create state of the art IT and Cyber Rooms at Gloucester campus. Work for these were carried out in the Summer.

- **UK-DRIC** launched formally on 30th May. The event went very well and created a huge buzz on social media right across the country. On the day the launch attracted approx. 140 visitors and 20 exhibitors. Margot James MP attended the centre in the afternoon to cut the ribbon formally opening the centre with local media presence. Google Digital garage hosted a workshop and are very keen to undertake additional workshops at the centre.

- **Cheltenham Cyber Park** Public Share events took place June 18 & 20th for Phases 1&2. Over 500 attendees over the course of the 2 events. Potential network conflict with Highways England. Phase 1 works are planned during the duration of HE Jct11 structural repair works. The risk is that extensive traffic management on both of these schemes causes excessive journey time delays. HE and GCC continue to meet to work through managing the risk.

- **Gloucester Railway Station GRIP 2** (option development work) is currently in progress. A number of options are still being discussed with regards to the concourse layout and the exit/entry to the car park. The

	<p>Business Case will be completed in November.</p> <ul style="list-style-type: none">• Cheltenham Spa Railway Station Phase 1 car park works are ongoing but with slight delay to completion due to contractor issues. The new access opening was scheduled for 27th August and the Cycle Hub handover on 29th August. Network Rail have confirmed business clearance is in place for the Cycle Path so positive progress is being made on this aspect of the scheme.• Hartpury – Tech to Plate Agri-Tech Centre is well underway both in relation to buildings and people. Ben Thompson, has been appointed Agri-tech Project and Industry Engagement Manager. Presentations on the project have taken place to Landex colleges and universities as well as the NFU.• Merrywalks. Phase 3 started on 24th June, with contractors Speller Metcalfe. Although starting later than originally planned, it is more comprehensive and designed to accommodate the hotel if/when the promoters obtain funding to bridge the viability gap. The former Merrywalks Centre was rebranded as Five Valleys in May and the promoters are working with SGS college design student Francesca Smith and local company Sam Freeman in order to finalise the delivery of a commissioned piece of art for the exterior of the car park.• A419 Stonehouse Improvements. Works are currently taking place at the Chipmans Platt Roundabout. Works will follow at Oldends Lane and finally Downton/Hoursetrough. Initial night works have been completed and works are now taking place in the day, with Traffic Management being restricted to off-peak.• Lydney Strategy. The detailed design has been finalised. Tender documents are complete and a main contractor was appointed June/July. Construction was scheduled to begin in September 2019.• Gloucester South West Bypass Widening Scheme. Work on Compulsory Purchasing Orders (CPO) has started with GCC legal team (dovetailing with negotiated settlement with landowners). Detailed designs have also been completed and GCC will produce a revised cost summary. Should CPO be required, this has the potential to impact on scheme start date. It is still proposed that LEP funding (solely for land purchase) is spent within the allocated timeframe.• Gloucestershire is now a national leader in AgriTech Innovation and Farm 491 has been recognised for providing unique support to AgriTech businesses taking them from start-up to growth stage. Farm 491 is the largest organisation for growing AgriTech businesses in the UK. In the last 12 months this has enabled 41 start-ups to grow with a presence in Gloucestershire creating 45 quality jobs and raising £8.2m. <p>Confirmed jobs created to date from the programme are 1939. Jobs outcomes are tracking below the original forecasts, partly as a result of delays to some of the component projects of the Growth Hub Network and related activities and also</p>
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	<p>likely to be partly as a consequence of a ‘tight’ labour market. On a positive note however recent data shows an above trend increase in productivity for Gloucestershire.</p> <p>In 2017 Gloucestershire’s GVA per hour worked was £32.2 this was above the South West average (£30.2) but 4.3% below the UK average (£33.6). When compared to the other 37 Local Enterprise Partnerships, Gloucestershire has a rank of 14 out of 38 (1 having the highest GVA per hour worked). Gloucestershire GVA per filled job stood at £51,664 in 2017, which as with GVA per hour worked was above the South West average (£46,888) but 4.9% below the national average of (£54,330). The picture when compared with other LEP’s is also very similar to that observed with GVA per hour worked, with Gloucestershire again having a rank of 13 out of 38 (1 having the highest GVA prefilled job).</p> <p>Total expected leverage for the programme is well above target both in terms of direct match confirmed to date and also ‘follow-on’ investment with a total leverage now expected in excess of £350m.</p> <p>Almost 22,000m2 of new or refurbished skills/learning space has been created to date.</p> <p>We are now reporting our first programme related housing completions (49 to date) as a result of the opening of the first phase of the Blackfriars student accommodation, based a pro-rata conversion for student units in relation to homes of multiple occupancy (HMOs). The majority of the housing unit starts will occur towards the end of the programme as the Innsworth, Cinderford and West Cheltenham sites are developed.</p> <p>The Cheltenham Cyber Park scheme remains both the most significant opportunity and challenge for the programme. The impact of successfully developing the scheme would be transformational for the Cheltenham and wider Gloucestershire economies and could create a ‘model’ urban extension that could also significantly help with Gloucestershire’s efforts to address some of our demographic challenges.</p>
<p>Implications, impacts or risks</p>	<p>Growth Programme</p> <p>Delivery and outcome risks for the programme are managed via the joint LEP/Accountable body Programme Management Group. Currently there are no risks assessed as requiring escalation to the LEP board for the programme or individual projects.</p> <p>The Cheltenham Cyber Park scheme presents the most significant risks in terms of delivery of the programme going forward, not least the need to schedule the planned major capital works that Highways England have planned in and around M5 junction 11 in a similar time frame to the cyber Park transport works.</p>
<p>Decision required</p>	<p>None required</p>
<p>Recommendations</p>	<p>N/A</p>

For further information points raised in this Board paper, please contact Barry Bodin-Jones
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