

**Open**

---

<b>Title:</b>	<b>Update from the Capital Programme Sub Group</b>
<b>Purpose:</b>	<b>To update board members on the progress of the LEP capital programme including the Buckinghamshire Covid 19 Recovery Fund and the Local Growth Fund delivery and assessment.</b>
<b>Recommendation:</b>	<b>i) That members note the content of this report and consider revised terms of reference, repurposing of the resilience fund to a recovery fund and the recommendations of the Capital Sub-Group.</b> <b>ii) That Board Members consider the recommendations of the Capital Programme Subgroup meeting of 3rd April, regarding ‘high risk’ LGF schemes.</b> <b>iii) That Board Members note response to the open call for new LGF schemes with a view to potential reallocation of LGF grant from current programme.</b> <b>iv) That Board Members note the appointment of Hatch Regeneris to undertake independent ‘Impact Evaluation’ of the LGF programme in accordance with agreed APR recommendations.</b>

---

### **1. Buckinghamshire Covid 19 Recovery Fund**

A fund of £2m has been allocated by Buckinghamshire LEP to support business resilience and recovery in the face of the Covid 19 Crisis. The Capital Sub Group have been meeting weekly to monitor progress in the development of the fund. Following a number of weeks of operation, the sub-group would want to discuss its terms of reference with the board and the re-purposing of the Buckinghamshire Resilience fund into a Recovery Fund.

The initial interest in the fund was significant with over 500 expressions of interest received in just under 2 days, however the subsequent funding announcements by the Government including the Job Retention Scheme, CBILS and Bounce Back Loans have meant that many businesses were ineligible under the existing criteria. Many of the businesses that applied for the scheme have been supported in accessing appropriate government support leaving a current tally of 8 business applications which have been approved totalling £47,429 of investment in addition to £150,000 which is being used to develop a sharing platform for Buckinghamshire businesses.

The Capital Sub Group are meeting on May 15<sup>th</sup> to consider a further revision to the criteria which would allow businesses in receipt of government funding to qualify for the Buckinghamshire Recovery fund. The investment will be focussed entirely on business recovery initiatives including a re-purposing of operations to serve new markets, improvements to business resilience and acquisition of specialist advice and services. A verbal update from this meeting will be provided by Michael Garvey as Chair of the sub-group on the 22<sup>nd</sup>.

## **2. Local Growth Fund Programme Update**

Overall LGF programme delivery at end of Q4 2019/20 remains strong, with good progress being made on some schemes during the year, including the Satellite Applications Innovation Centre, NFTS Centre for Immersive Storytelling, Bucks Creates at Pinewood, the A4 Taplow Cycle Route and Local Transport Body priorities.

The financial position at the close of fourth quarter (Q4) of 2019/20, taking account of all grant claims received and being processed, shows a total in year expenditure of £8,545,225, approximately 84% of the total profiled allocation of £10,130,572.

This brings overall LGF expenditure to £52,797,055 against a total LGF allocation of £60,064,985, which is about 88%.

The impact of the Covid-19, has resulted in some schemes being delayed and reduction in value of grant claims during the Q4 2019/20 period.

Following the Annual Performance Review earlier this year MHCLG has confirmed the overall rating for delivery as 'Exceptional'.

### **Recommendations of Capital Programme Subgroup Meeting 3<sup>rd</sup> April**

Project sponsors for LGF schemes previously reported as high risk, were invited to a meeting of the Capital programme Subgroup on 3d April 2020 to update the LEP Board representatives on scheme progress and to confirm measures that are in place to address delays in scheme delivery and performance.

### **Great Western and Network Rail - Railway and Marlow to Maidenhead Rail Improvements**

- Recommendation that current LGF funds in this project be reallocated and that the executive continue to work with GWR/Network Rail to include the Marlow to Maidenhead Rail Improvements scheme in a later round of programme funding, dependent upon GWR/Network Rail acceptance of milestones and a clear commitment to complete the project.

### **Impact of Covid-19**

Works have been suspended on the Satellite Applications Innovation Centre, however impact has been limited given rapid progress that has been made with the building construction leading up to the Covid-19 crisis.

Contractors C Dowdy under management of Transport for Buckinghamshire have continued works to the A41 highway access at Westcott throughout the Covid-19 period and taken full advantage of the reduction in traffic.

The University of Buckingham has temporarily suspended work on the proposed School of Computing and Centre for AI. Anticipated that work will recommence on the scheme as soon as circumstances allow.

Work has also been suspended on at the Health Innovation Hub at Stoke Mandeville, which was due to be completed by the summer this year.

### 3. Open Call for LGF Projects

An Open Call for new projects was announced in March inviting expressions of interest for new schemes. Applicants were invited to submit well-developed environmentally sustainable projects that support delivery of Buckinghamshire's Local Industrial Strategy and growth within our four key sectors, Upstream Space, Creative and Digital, Advanced Engineering and Manufacturing and Medical Technology and Health.

Applicants were advised that bids would be considered for minimum of £500k Local Growth Fund capital grant, for projects with a minimum of 50% match funding that can be completed and operational by March 2021. Proposals should demonstrate clear alignment with our Local Industrial Strategy and our strategic drivers to boost business scale up, promote entrepreneurship and commercial innovation, drive the skills revolution and transform digital infrastructure.

#### Expressions of Interest Received

Four expressions of interest were received by the closing date of Monday 27th April, shown in the table below.

Applicant	Scheme Name	LGF Grant Amount (£)	Match Funding (£)	Total Scheme Cost	LGF Ratio
Bucks New University	Buckinghamshire Digital Health Care Academy	2,000,000	2,120,000	4,120,000	49%
University of Buckingham	Innovation and Incubation Hub	750,000	1,250,000	2,000,000	38%
National Flim and Television School	NFTS Expansion and Future Growth	1,600,000	6,400,000	8,000,000	20%
Total Sim	Silverstone Pedalling Efficiency Rig	800,000	450,000	1,250,000	64%
<b>Totals</b>		<b>5,150,000</b>	<b>10,220,000</b>	<b>15,370,000</b>	<b>34%</b>

Summary of submitted applications are as follows:

### **NFTS Expansion and Future Growth - National Film & Television School**

For nearly half a century, the National Film and Television School (NFTS) has developed some of Britain and the world's top creative talent. It is widely acknowledged to be the top school of its kind in the UK and one of the best internationally. In 2018, the NFTS was awarded both the BAFTA for Outstanding British Contribution to Cinema and the Queen's Anniversary Prize for Higher and Further Education.

This proposal is for a £1.6m grant from the BTVLEP to enable the School to purchase a piece of land and a modern building that shares a boundary with the existing School site – the 'Grosvenor House site'. The site we intend to purchase is the last viable piece of land adjacent to the existing NFTS site that we could purchase to aid future expansion. Buying the Grosvenor House site would protect the School's long term interests in Beaconsfield and make further expansion much more viable and retain NFTS long term presence in Buckinghamshire.

The School can bring the support of a wide range of partners (BBC, Channel 4, Sky, Google, Endemol Shine, Netflix etc.) to ensure the facility is at the cutting edge of both digital content production and skills development.

Anticipated practical completion date December 2022, however expenditure of LGF grant on acquisition of building could be achieved by August 2021 subject to negotiation.

### **University of Buckingham**

The UoB is seeking £750,000 to establish an Innovation and Incubation Hub (iHub) for North Buckinghamshire at the University, as part of the Buckinghamshire Living Lab Technology Network, and closely linked to the Creative & Digital and Silverstone Technology super-clusters. The Grant will be matched by £1.25m through a loan that has been secured by UoB.

The iHub will be a Living Lab that will complement existing Living Labs, Clusters and Innovation Centres in Buckinghamshire to drive economic growth and skills revolutions as set out in Buckinghamshire Local Industrial Strategy. The iHub will be located in the heart of Oxford-Cambridge Arc (the Arc) making it easily accessible to harness the collective strength of Arc's knowledge bases to support Buckinghamshire's businesses.

Anticipated completion Summer 2022

### **Digital Health and Social Care Academy - Buckinghamshire New University**

The project creates an unrivalled opportunity to progress the Local Industrial Strategy and boost the productivity and growth of businesses in the Digital Health Sector at the Aylesbury Vale digital cluster partner, Buckinghamshire New University's Aylesbury Campus.

It will create the Academy for Digital Health that will bring a full suite of new masters and bachelors degree programmes, using industry-standard technologies, to the heart of the spine injury health rehabilitation partner in Stoke Mandeville, within 3 years, with a new professional higher education work-learning centre.

The project aims to boost the growth and productivity of the Digital health care, med-tech and advanced artificial intelligence in Buckinghamshire through meeting the higher-level skills needs of businesses in that fast-growing sector.

The project has been developed in partnership with Buckinghamshire Health Trust, GP Federation and Buckinghamshire County Council presenting a strong strategic proposition and a detailed delivery plan.

Outline programme indicates the facility could be open by September 2021.

### **Silverstone Pedalling Efficiency Project – Total Sim**

The project involves the installation of a unique and highly innovative robotic pedalling efficiency rig and learning zone at the Silverstone Sports Engineering Hub in the Aylesbury Vale Enterprise Zone.

These pioneering facilities will be provided to demonstrate the importance of marginal gains to cycling designers and manufacturers, cyclists and engineering students. The project will also demonstrate the benefits of robotic applications for engineering companies and students.

The project will support the Buckinghamshire Local Industrial Strategy. It will support a skills and inspiration revolution and stimulate potential high technology crossovers between, and across, sectors in the Silverstone Technology Cluster.

The project aims to enhance the facilities, benefits and economic impact of the Silverstone Sports Engineering Hub by providing a unique pedalling efficiency rig and learning zone that can be used for cycling R&D and learning by cyclists and engineers.

The outline programme shows completion by February 2021

### **Appraisal and Evaluation of Applications**

The next stage of the process involves an initial independent assessment of the submitted bids to assess suitability for further consideration and development. Applicants will be contacted during this process to clarify queries relating to their proposals and submitted applications.

Initial evaluation of applications will include an analysis of;

- Strategic Fit
- Economic Impact
- Type of Funding Required and Value for Money
- Deliverability
- Environmental sustainability

Hatch Regeneris has been appointed to undertake the independent business case appraisal, which started on 17th May, due to be completed by end of May.

Successful applicants will be asked to prepare and submit a final business case, adopting the HM Green Book model. The final business case will be subject to refinement and further evaluation

prior to formal submission and recommendations to LEP Board to approve any allocation of LGF funds.

#### **4. Local Growth Fund Full-Term Independent Assessment**

The commitment to undertake a comprehensive review was an action from our 2019 Annual Performance review.

An outline brief has been prepared and quotes were invited from a select list of four specialists, having undertaken similar work for other LEP's and organisation. Quotes were invited and received from the following.

- Hatch Regeneris – (incumbent provider)
- SQW
- EKON
- Focus

The submitted quotes were all within the budgeted amount of £25k and ranged from approximately £18.5k to £23k. Following evaluation of each of the quotes, Hatch Regeneris has been appointed to undertake the work starting on 18th May and due to be completed by the end of July.

The BLEP Capital Programme Subgroup will be advised as the submitted applications are assessed.

#### **Board members are asked to:**

- i) Note the content of this report and consider revised terms of reference, repurposing of the resilience fund to a recovery fund and the recommendations of the Capital Sub-Group.**
- ii) Consider the recommendations of the Capital Programme Subgroup meeting of 3rd April, regarding 'high risk' LGF schemes.**
- iii) Note response to the open call for new LGF schemes with a view to potential reallocation of LGF grant from current programme.**
- iv) Note the appointment of Hatch Regeneris to undertake independent 'Impact Evaluation' of the LGF programme in accordance with agreed APR recommendations.**