

### **Supplementary information for new members**

Growth Deals provide funds to local enterprise partnerships or LEPs (partnerships between local authorities and businesses) for projects that benefit the local area and economy.

There have been several rounds of growth deal and dates and allocations are detailed below:-

Local Growth Fund Award	Growth Deal One (July 2014)	Growth Deal Two (Jan 2015)	Growth Deal Three (Mar 2017)
	£111.2 million	£14.8 million	£29.45 million
<b>Total Award</b>			<b>£155.45 million</b>

Nationally, the money will go towards providing support for local businesses to train young people, create thousands of new jobs, build thousands of new homes and start hundreds of infrastructure projects; including transport improvements and superfast broadband networks.

Listed below are the projects detailed in each of the growth deal requests. Details of each of the projects with in Growth Deal 1 and 2 are detailed in the previous reports to Economic Scrutiny Committee dated October 15, May 16 and November 16.

#### **Growth Deal 1 (including pre-committed funding)**

- Lincoln Eastern bypass - £30 million (plus £20 million from DfT budgets)
- Grantham Southern relief road
- Lincoln Transport Hub
- Bishop Burton College
- Boston Quadrant Boole Technology Centre
- Unlocking Rural Housing Programme
- Skegness Countryside Business Park
- Go Skegness
- Lincoln Tentercroft East-West Growth Corridor;
- Access to Employment Zones, Grimsby
- Grantham College ( This project has now been withdrawn)
- Normanby Enterprise Park, Scunthorpe
- Northern Roundabout, Scunthorpe.

#### **Growth Deal 2**

- South Humber Industrial Infrastructure Programme;
- Scunthorpe town centre redevelopment
- Lincolnshire Lakes blue and green infrastructure;
- Holbeach Employment Land/Peppermint interchange
- Holbeach Agri-Food Centre of Excellence.

### Growth Deal 3

The latest tranche of funding is expected to deliver the projects listed below. These are in the very early stages of development and will be detailed in future scrutiny reporting.

- **Greater Lincolnshire Centre for Health Science in Lincoln:** a new centre led by the University of Lincoln to drive growth, productivity, higher-level skills and innovation throughout the health and care sector. The scheme responds to the Greater Lincolnshire vision for health and care, will build on the university's Institute for Health and take the next step towards the establishment of a full medical school for the region. The scheme is expected to support 1,200 learners, create 80 jobs, assist 30 businesses and attract £5 million in private sector funding;
- **Food Enterprise Zones in Holbeach, Grimsby and Hemswell Cliff:** investment in infrastructure and services to enable and accelerate the development of Greater Lincolnshire's three Food Enterprise Zones. The sites will create employment land and buildings specifically designed to support the growth and expansion of Greater Lincolnshire's agri-food clusters. The scheme is expected by the LEP to develop over 170,000 sq. m of commercial floorspace, create or safeguard 2,370 jobs, support 600 learners and 25 businesses and attract £5.9 million in private sector funding;
- **Skills Capital Investment Fund:** a programme designed to enable investment in new and refurbished buildings, in equipment and technology and in digital technologies to drive skills development in higher and further education and respond to the needs of Greater Lincolnshire businesses. The programme is estimated by the LEP to develop over 8,000 new or refurbished learning spaces, support 1,200 learners and 790 apprentices and attract £6.25 million in private sector funding;
- **Gainsborough Growth Project:** a suite of projects that will restore and revive Gainsborough's town centre and transport infrastructure, creating a coherent, attractive and strong commercial hub that will support a growing town. The wider project will enable much-needed new housing and employment for the area. It is expected to create 800 new homes, 5000 sq. m of commercial floorspace, 270 jobs and attract £30 million in private sector funding. The focus of the Growth Deal investment will be specifically on accelerating the delivery of key housing zone sites;
- **Junction Improvements on the A46 Lincoln Bypass:** key junction improvements at Riseholme (A15 to Scunthorpe), Nettleham (A46 to Market Rasen), and Wragby Road (A158 to Louth) to enable the development of housing and employment land. The scheme is estimated by the LEP to unlock 2,000 new homes, 200 jobs and 50,000 sq. m of commercial floorspace;
- **A16 / A17 Sutterton Roundabout Pinch Point Scheme:** improvement works to reduce congestion and enable enhanced transport links for the agri-food sector to the north and south of the county. The scheme is expected to unlock 150 new homes and 15,000 sq. m of commercial floorspace and create or safeguard 200 jobs;
- **Sleaford Growth Project:** phase 1 of the scheme, involving the improvement of transport infrastructure through the creation of new roundabouts at key locations and improvements to existing roundabouts. It is expected to unlock

300 new homes and 17,000 sq. m of commercial floorspace, create or safeguard 400 jobs and attract £1.35 million in private sector funding; and

- **Advanced Engineering Research and Development Centre in Lincoln:** state-of-the-art facility to catalyse growth and productivity in the gas turbine supply chain, building upon the internationally recognised partnership between Siemens and the University of Lincoln. It is expected to include 1200 sq. m of floorspace, support 15 businesses, create or safeguard 25 jobs and attract £3 million in private sector leverage.

**Lincolnshire County Council** is Accountable Body for all the Greater Lincolnshire LEP funds with the single local growth funding being the predominant fund. This is set out in the original memorandum of understanding that created the LEP.

As part of their Growth Deal Local Enterprise Partnerships (LEPs) were asked to sign up to working with government to develop a single assurance framework covering all Government funding flowing through LEPs, to ensure all LEPs have robust systems and processes in place.

We were instrumental in producing an assurance framework and ensure the successful transfer of Single Local Growth Fund grant via a Section 31 grant determination. To date £89.9million has been received from government as follows:-

- 2015/16        £26.4million
- 2016/17        £47.8million
- 2017/18        £15.7million

**Lincolnshire County Council** (Accountable Body) works with the GLLEP to ensure that GLLEP policies and services are efficient, effective, appropriate and accessible to all. We

- Hold any funding received and all interest or income earned for and on behalf of GLLEP and ensure that the money is not moved or converted to cash without specific instruction from the GLLEP;
- Provide support and assistance to GLLEP, including procurement advice, to ensure both legal and financial probity in relation to the receipt and use of specific funding for which it acts as Accountable Body;
- Advise the GLLEP on the procedures necessary to ensure formal compliance with any terms and conditions of funding or grant;
- Provide advice on proper and effective governance for overseeing the allocation and spend of GLLEP funding;
- Ensure that performance and financial systems are robust;
- Provide details of all monies expended in accordance with the terms and conditions of funding;
- Inform and keep GLLEP informed of any grant funding allocations received and the procedures and recommended criteria for distributing the funding based on the funding body's requirements;
- Establish and maintain a financial system to account for all monies received and disbursed on GLLEP's behalf;
- Transfer, subject to due diligence, funding for projects identified by GLLEP;
- Receive income and make payments for and on behalf of GLLEP;

- Maintain proper records, in accordance with its Constitution, of all monies received and disbursed for GLLEP and make such records available for inspection by both internal and external regulators;
- Arrange regular audit examination of GLLEP's activities with regards to use of public resources and, following each audit, present a report to GLLEP with recommendations to strengthen their governance and management practices.

### **Freedom and Flexibility**

Under the terms of the grant determination that Single Local Growth Fund is awarded on there is certain Freedom and Flexibilities that can be actioned to assist in hitting spend allocation targets. These include:

- Paying project in advance
- Increasing project intervention rates ( the rate of SLGF against total project costs)
- Paying Lincolnshire County Council (LCC) Capital projects with SLGF to subsequently release LCC net budget to be utilised in later years against SLGF contracts that we hold on behalf of the LEP.

You will see within this and future reports how these freedoms have been implemented. We seek to report specifically on:-

- Evidence received in quarterly claims against any advance payment given to ensure that an advance is fully accounted for during the lifetime of the project.
- How the LCC budget which has been replaced with SLGF is used to meet future spend on the SLGF contracted projects.