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Report to: LEP Board

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Subject: Call for Projects

1 Purpose

1.1 This report provides an overview of the submissions received following the recent Call for Projects, with a focus on those that have been identified for potential Growth Deal funding and for Business Rates Pool eligibility.

2 Information

2.1 In recent months, WYCA has received a number of submissions from scheme promoters who are seeking to bring new projects forward for entry into the 'pipeline' for delivery. No mechanism currently exists to support this, and any opportunity to support new projects is held back by the lack of headroom funding available.

2.2 In order to seek to overcome this issue a need was identified to formally request promoters bring forward projects on an agreed and consistent basis through a Call for Projects. The rationale was to provide an indication of future opportunities that exist should funding become available. A further exercise was also identified, to review the current portfolio of projects and to clearly understand where delivery is not proceeding to agreed timescales or where circumstances have changed which may result in reduced outcomes to those initially envisaged.

2.3 The initial stage of this process has commenced through a Call for Projects which was issued by WYCA on 24th August 2017, and was publicised on the WYCA website with a return date of 25th September 2017. The purpose of the Call was to establish a 'reserve list' and that it was highlighted that no funding is currently available. The Call covered a range of projects under various potential funding sources, namely:

- Growth Deal;
- Business Rates Pool (BRP);
- Northern Cultural Regeneration Fund (NCRF); and
- Other, as potential Growth Deal or with a wider policy context

2.4 All submissions were logged and evaluated under the direction of the Head of Feasibility & Assurance (F&A) to ensure that separation of promoter/reviewer roles was adhered to through ethical walls being put in place. A number of reviewers were

identified within the F&A team, supplemented by staff in PMO and Research & Intelligence. Wider district input was requested and was volunteered by Bradford, Wakefield and Calderdale.

- 2.5 There were 93 projects submitted:
- 70 projects Growth Deal
 - 6 projects NCRF
 - 17 projects Business Rates Pool
- 2.6 This report primarily focuses on Growth Deal and potential Business Rates Pool schemes. NCRF bids are covered in a separate report to the LEP Board.
- 2.7 In terms of potential Business Rates Pool schemes, the Call for Projects elicited a response which included time-limited commitments, ongoing commitments as well as a further ten responses. Taken together, there have been requests for a minimum of £6.83m in 2018/19, which is likely to increase to account for increases in local contributions to the WY+TF and expectations of local authorities for resources for local economic development. This almost certainly means the fund will be oversubscribed.
- 2.8 Following an initial review of the 70 Growth Deal submissions, 48 projects were identified where there were key gaps in the supplied information that related to one or all of; project delivery timescales, project costs and scheme benefits. The scheme promoters were contacted and a request was made for the missing information – 1 week was allowed for this. 42 promoters responded with further detail.
- 2.9 The assessment of the submissions was based on criteria that was provided, and which related to information set out in the WYCA Assurance Framework. A scoring system was defined and agreed all evaluations were moderated. A further moderation meeting was held on 13 October, attended by WYCA staff and District colleagues who had undertaken the reviews, supported by wider input.
- 2.10 Throughout the process of evaluation, summary information has been provided to the Programme Appraisal Team, Directors of Development (DoDs) and Chief Highway Officers (CHOs).
- 2.11 Projects have been categorised into a number of thematic areas, which broadly relate to Strategic Economic Plan (SEP) priorities:
- Priority 1 – Growing Businesses;
 - Priority 2: Skills Capital;
 - Priority 3: Clean Energy and Environmental Resilience (no submissions received);
 - Priority 4 (a) Housing/Regeneration plus digital infrastructure;
 - Priority 4 (b): Transport Infrastructure; and

- Priority 0: Culture and Sport.

2.12 There are a number of caveats that should be noted as a ‘health warning’ around the summary information received:

- The assessment has been based on information as provided. There has been no opportunity to check the veracity of scheme costs, timescales or benefits. This may result in an over-selling (or under-selling) of schemes;
- Some schemes may perform better if more information was made available by promoters. Conversely, when examined in more detail, some schemes may not perform as well as has been claimed;
- In a number of cases, schemes ‘pass’ the test of delivery by 2021, though it should be noted that this is often contingent on a delivery programme that requires imminent decisions/funding allocation. Any delay in commencing activity, or in de-committing other projects may well affect the ability for delivery within prescribed timescales;
- For certain types of schemes, notably those in the Transport Infrastructure and Sport & Culture category, performance against direct jobs and housing impacts is poor as these projects primarily provide indirect outputs;
- There are a number of submissions which have been identified for delivery post-2021, but which are seeking feasibility funding as an enabler;
- There are some projects which are seeking both WYCA funding through the Growth Deal as well as NCRF funding;
- Match-funding will need to be a key consideration in many cases, and this is generally quite poorly defined at present. Where delivery has been identified as possible by 2021, this may be a key consideration;

2.13 Below is a summary table of the submissions against Growth Deal priority areas:

Priority	Type	WYCA Grant	Total Project Size	No of Applicants
Priority 1	Growing Businesses	£89.74m	£251.37m	10
Priority 2	Skills Capital	£79.07m	£141.91m	17
Priority 4 (a)	Housing, Regeneration and Digital	£121.08m	£1,170.64m	17
Priority 4 (b)	Transport Infrastructure	£446.98m	£1,064.39m	20
Priority 0	Culture and Sport	£18.78m	£65.82m	6
Grand Total		£755.65m	£2694.13m	70

2.14 An overview of submissions was discussed at Investment Committee Workshop on 31 October.

3 Next Steps

- 3.1 Following the Investment Committee workshop, all scheme promoters have been contacted to notify them of the next steps as agreed by Members.
- 3.2 Work is ongoing to seek further information from promoters where opportunities may exist to take projects forward, which in some cases may be around further feasibility work.
- 3.3 Next steps are currently being worked up and will be reported to Investment Committee and LEP Board in early 2018, and to WYCA. Work is also underway to identify where scope might exist for de-commitment or re-profiling of project expenditure.

4 Recommendations

- 4.1 That the report is noted.