

GREATER BIRMINGHAM AND SOLIHULL SUPERVISORY BOARD MEETING

10th December 2015

GROWTH DEAL UPDATE

Recommendations

1. The Supervisory Board is asked to:
 - Note the further good progress is being made in delivering LGF in 2015/16; and
 - Note the Growth Hub has been launched formally and it is starting to be used regularly by local businesses.

Background

2. The LEP Board received a report on the Growth Deal at its meeting in September 2015. It noted the good progress being made in delivering the Local Growth Funding (LGF) in 2015/16 against a backdrop of frequent change; the revised position regarding forecast defrayal for 2015/16 following a series of interventions by the Growth Team at its September meeting; noted the upcoming audit work which is likely to inform the future delivery of Growth Deals nationally; and noted the good progress being made regarding the implementation of the Growth Hub and its imminent formal launch.

Delivering Local Growth Funding (LGF)

3. Following guidance from the Growth Team, £24.9m has been allocated to twelve new projects with an estimated £10.36m expected to be defrayed in this financial year. If all business cases are approved, there is an anticipated over-allocation of funding to the level of £5.17m (see **Appendix 1**).
4. The projected expenditure in 2015/16 is now £50.6m which is £3.6m (108%) over the £47.3m LGF allocation and £6.4m over the baseline submitted to BIS in June 2015.
5. It is anticipated that Quarter 3 will defray circa £12.6m in additional to the £9.1m defrayed in Quarter 2. This aligns with the June 2015 baseline expenditure target. Quarter 4 forecast defrayal is £27.7m, which is dependent on projects being contracted and delivering by December 2015.
6. BIS have provided further guidance regarding their wish to see all funding allocated for 2015/16 actually defrayed. At a recent cross LEP workshop, they suggested methods by which this could be achieved. We are investigating how these approaches can be utilised by the LEP with BCC our Accountable Body.
7. In total, twenty two projects have been signed off for delivery and fifteen have been noted by the Supervisory Board.
8. Our first Annual Conversation with Government will take place on the 10 December 2015. This will review our performance on LGF for 2015/16, confirm

our delivery targets and, subject to a successful discussion, suggest that the indicative £49.2m of funding for 2016/17 will be confirmed before February 2016.

9. A detailed review of outputs and outcomes has been prepared for the Growth Team. This suggests that we remain on line to achieve all targets bar those related to skills. This relates to our inability to replace the large number of skills outputs that were promised from the proposed Birmingham Metropolitan College project that could not go forward. There is still work to do to complete this analysis to confirm the actual position on skills.
10. On the 20 October 2015, BCC Cabinet, representing the GBSLEP Accountable Body, agreed to accept the Department for Transport (DfT) offer of £2.2m to facilitate the development of business cases for the following major schemes:
 - Midland Metro Extension to Edgbaston (£1.5m) being delivered by Centro;
 - A45 Rapid Transit Scheme (£0.2m) being delivered by Centro; and
 - A457 Dudley Road (£0.5m) being delivered by the City Council

Growth Hub

11. The formal, public launch of the Growth Hub took place on 7 October 2015 attracting almost three hundred business representatives and stakeholders from across the LEP area. The launch was combined with a business support showcase, with key partners in the service and it attracted considerable local publicity, particularly from the business press.
12. The number of enquiries into the Hub has increased to 673 to the end of October 2015. This has resulted with 73 businesses obtaining dedicated advice support. The Knowledge Bank continues to be well used. Up to 5 November 2015, it has received 4,054 unique visitors representing 37,857 page views.
13. The CRM system is working well and all partners have been taken up the opportunity to be trained to use it. A CRM system user group has been established to bring together partners and ensure consistency of use and agreement on areas for development.
14. The Growth Hub Manager and wider team have attended at least ten key events in the last month, outreaching to several hundred businesses in total

Conclusions

15. Further good progress is being made in delivering LGF in 2015/16 with forecast defrayal profiles holding up.
16. The Growth Hub has been launched formally and it is starting to be used regularly by local businesses.

Prepared by: Michael Carr
Programme Delivery Director
Date created: 19-11-2015
Contact: michael.f.carr@birmingham.gov.uk
07912 793920