

GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: Local Growth Fund Management Update

DATE: 24 February 2021

FROM: Simon Nokes, Executive Director Policy & Strategy, GMCA

PURPOSE OF REPORT

This report provides an update on progress on the delivery of the Local Growth Fund (LGF) (also referred to as the Local Growth Deals), and indicative feedback received following the recent LGF Annual Performance Review with Government.

RECOMMENDATIONS

The LEP Board is asked to:

1. Note the positive feedback from the recent LGF Annual Performance Review with Government;
2. Note that good progress is being made towards achieving full LGF grant spend on both the transport and non-transport programmes by the 31 March 2021 grant deadline; and
3. Grant delegated authority to the Local Authority and TfGM / GMCA Chief Executives to, where necessary, vary individual scheme allocations for the Growth Deal programmes, in order to optimise LGF/Growth Deal grant expenditure by 31 March 2021.

EQUALITIES IMPLICATIONS

The Growth Deal programme is managed in line with current legislation and assessments are carried out by the promoters of each scheme.

CLIMATE CHANGE IMPACT ASSESSMENT AND MITIGATION MEASURES

The Growth Deal programme objectives are to introduce measures to enable economic growth within Greater Manchester. The programme contains measures to enable growth to be accommodated through improvements to the public transport network and to encourage increases in active travel.

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1. INTRODUCTION

- 1.1 The Government awarded a total of £493.5m over three Growth Deals to the GM LEP from 2015-2021 for capital projects that will benefit the local area and economy.
- 1.2 The outcomes agreed in the original profile with Government were for 6,250 jobs to be created and for the public sector investment to generate £210m of private sector investment. These are set to be generated from Skills Capital, ED&R and Transport projects.
- 1.3 An Annual Performance Review with Government is carried out in January/February each calendar year and is the formal way by which the Government and each LEP meet to discuss the contribution the LEP has made towards driving forward local economic growth, particularly in the delivery of key local growth programmes such as the Local Growth Fund (LGF).
- 1.4 The Review is also an opportunity to review LEP governance and assurance processes as well as discuss the LEP's strategic impact, priorities and challenges for the year ahead.

2. ANNUAL PERFORMANCE REVIEW

- 2.1 The 2020/21 Annual Performance Review took place earlier this month with a focus on the key themes of focus on three themes of Governance, Delivery and Strategic Impact.
- 2.2 Following the Review meeting, the Cities and Local Growth Unit undertook a performance assessment with a view to highlighting areas of good practice and identifying any areas for further development.
- 2.3 At the conclusion of the process LEPs will receive an outcome of either "requirements met" or "action needed". 'Indicative feedback provided by the Cities and Local Growth Unit before and during the Review was positive and a further update will be given at the meeting.
- 2.4 Formal feedback from Government is expected early in the next financial year once the final outturn on LGF grant expenditure is known.

3. PROGRESS UPDATE

- 3.1 The forecast outturn for 2020/21 for both transport and non-transport LGF/Growth Deal projects is showing that the grant is currently forecast to be fully expended by 31 March 2021, in line with the relevant grant conditions.
- 3.2 Monitoring of expenditure on individual projects is carried out on a monthly basis and, dependent on progress on individual schemes across the programme, there may be some individual scheme variances, albeit that overall grant spend will be maintained.
- 3.3 Greater Manchester is able to utilise financial flexibilities under the 'Single Pot' framework. This means that, if required, the amount of LGF/Growth Deal grant against each approved individual scheme may be varied in order to maximise the grant expended by 31 March 2021.
- 3.4 It is therefore recommended that delegated authority is granted to the Local Authority and TfGM / GMCA Chief Executives to, where necessary, vary individual scheme allocations for the LGF/Growth Deal programmes, within the overall approved grant

allocations in order to optimise grant expenditure across the programme, as set out at recommendation 3 to this report.

3.5 Any such variations will be reported to the GMLEP as part of the close out of the LGF/Growth Deal grant expenditure, once the final position is known.

4. RECOMMENDATIONS

4.1 Recommendations are set out at the front of this report.