

21st May 2020

LGF Update (Year end 2019/20 and 2020/21 Programme Position)

Purpose of Report

This paper is to inform LEP Board members of the LGF Year end 2019/20 position and sets out the 2020/21 LGF programme activity, noting this is the final year of the current six-year LGF programme

Thematic Priority

Cross cutting - financial

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper will be made available under the MCA publication scheme.

Recommendations

Members are asked to

1. Note the 2019/2020 Year End position and,
2. Note the predicted 2020/21 LGF programme activity.

1. Introduction

- 1.1** LGF is a 6 year, £360m funding programme secured through three rounds of Local Growth Fund bids. 2020/21 is the final year of funding. This paper is to inform members of the 2019/20 final position and sets out the predicted 2020/21 programme activity.
- 1.2** The notional allocation of LGF Grant for the 1920/21 year we are expecting to receive from government is £43,238,940.

2. Proposal and justification

2.1 LGF Final Position 2019/20

The total LGF spend target for 2019/2020 was set at £35.6m. Close working with delivery partners towards the end of the 2019/20 financial year enabled the region to meet and slightly exceed the annual target. The end spend position was £36.12m. Some projects highlighted during 2019/2020 that they may not be able to spend their full year LGF project allocation and proposed slippage into 2020/21. This enabled SCR Executive to ensure there was enough other LGF activity to meet the 2019/20 annual target

2.2 LGF programme position 2020/21

The Local Growth Fund Programme is now in its sixth and final year. Some investment made in the early years of the programme have now repaid loan funding back to the programme which has increased the total value of available programme funding to £377.6m.

The programme position to date is:

- £123.1m of projects have now completed
- £186.5m of projects are currently in delivery
- £11.2m has been approved for projects which are in the process of satisfying contract conditions

This totals £320.8m

The LGF total of £377.6m includes a ringfenced amount of £40.1m for a major transport project which is retained for separate approval by the DfT. Taking this and the £320.7m commitment this gives a total of £360.9m

2.3 The level of funding remaining available for LGF projects across all thematic areas (the programme headroom) is now £16.7m

Board Members are asked to note a further £13.7m, subject to appraisal, will be put forward for approval at a future MCA. If approved, this would give a total spend or committed position of £374.6m thus reducing the available headroom to £3m.

A list of projects with spend in 2020/21 is attached at Appendix 1.

3. Consideration of alternative approaches

3.1 Do Nothing – this is not an option and the MCA, on behalf of the LEP Board, is obliged to accept the final year grant money to manage its contractual obligations.

4. Implications

4.1 Financial

This paper set out the indicative LGF budget for 2020/21. The total expenditure of the LGF programme will continue to be managed so that it will not exceed the financial resources available.

All funding needs to be fully spent (defrayed) by 31st March 2021.

4.2 Legal

Prior to accepting the grants, the SCR will ensure that the conditions are acceptable, and will subsequently put in place arrangements to comply with the grant conditions. The legal implications of acceptance of grant will be fully considered by a representative of the Monitoring Officer.

4.3 Risk Management

High risk schemes will continue to be monitored and reported back to the LEP and MCA.

A report detailing delays due to COVID-19 has been prepared and issues are being highlighted to MHCLG and an extension to the LGF programme has been requested. However, at the present time no extension has been granted.

4.4 Equality, Diversity and Social Inclusion

None as a direct result of this paper.

5. Communications

5.1 The current position reported in this paper has been communicated to Local Authority Chief Executives and Directors of finance prior to publication.

6. Appendices/Annexes

6.1 Appendix 1 – LGF Project List with 2020/21 spend

Report Author	Sue Sykes
Post	AD – Programme and Performance Unit
Officer responsible	Ruth Adams
Organisation	SCR Executive
Email	Ruth.adams@sheffieldcityregion.org.uk
Telephone	0114 220 3442

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ