

Agenda Item no. 4

FUNDING UPDATE GROWTH DEAL

To: Shadow Local Transport Body Board

Date: 23 March 2015

From: LTB Steering Group

Recommendation:

To note progress on Growth Deal and Extension of funding

Background

1. GCGP had a Growth Deal allocation of £71.1, which includes the £14.1m of funding previously announced under the Local Transport Body. £19.5m of this was provisional (relating to Wisbech transport improvements and St.Neots to Cambridge public transport). The transport element of the allocation is £53.1m (£19.5m new, £14.1m LTB, £19.5m provisional). See appendix 4a
2. For the 2015/16 period, £21.1m of grant will be payable to GCGP's Accountable Body. This includes £4m of Local Transport Board pre-allocation. See letter attached in appendix 4b.
3. In Jan 2015, the Government announced that the Enterprise Partnership had been successful in getting an additional allocation of £38m for the period 2016-2021. The announcement described this as enabling a number of schemes, including two transport schemes: the Ely Southern Bypass and M11 Junction 8. See appendix 4c.
4. The Government has yet to confirm the annual profile of the Growth Deal Extensions to any LEP, although this described as 'imminent'. However, we are aware that Government intends to 'back-load' the profile. The additional £38m is insufficient to fund all of the key priorities identified by GCGP. However, as Ely Southern Bypass was identified as the top priority for funding the request for £16m of GCGP funding can be met. M11 Junction 8 is unlikely to be fully fundable, so discussions are taking place on breaking down the scheme into separate elements.
5. An indicative profile up to 2021 has been developed, based on an informal view of likely yearly breakdown and comparing it to the prioritised bid. This does not as yet reflect wider considerations of the optimum order of bringing schemes forward. This is being reviewed as Government confirms the overall profile. See appendix 4d
6. As the first funding will become available post April 2015, recommendations need to be made to GCGP Board on sign-off of schemes. In particular, the Bourges Boulevard Phase 1 scheme has been forward-funded by Peterborough City Council who are seeking to draw down the grant contribution previously pre-allocated by the Local Transport Body as soon as possible (a separate paper on the Agenda refers).

7. As previously reported to the Panel, sign off of grants will be subject to an Assurance process, based on the existing assurance process signed off with DfT by the Local Transport Body but adapted locally. The independent consultants retained as part of the assurance process will be in attendance at the meeting to explain the implications of this approach.
 8. For capital transport schemes the GCGP Board has agreed that the Local Transport Panel would make recommendations on programme management of these as a block, taking action to ensure delivery and in the case of slippage managing that against accelerating other GCGP approved transport schemes. In the extreme event of a scheme not proceeding, then this would be referred to the Investment Committee to take a view against the Growth Deal projects as a whole as to whether another type of approved project could be accelerated or a reserve scheme brought forward. Ultimately, sign off of grant remains with the GCGP Board.
 9. We are aware that DfT are now considering 'retaining' some of the largest transport schemes nationally for sign off directly under DfT assurance. We are seeking clarification over any implications for GCGP schemes and will report verbally at the meeting.
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