

# The Marches LEP: LGF Appraisal

- 1.1 The Marches LEP is seeking to allocated remaining Growth Deal funds (estimated at £25,043,892) to capital projects to spend prior to the end of March 2021. Applications for funding were received from 11 projects. This note sets out the recommendations for prioritising investment of the available funds.

## Applications for funding

- 1.2 The 11 applications for funding (bids), and their associated Growth Deal funding request, are as follows:

1)	HEZ Infrastructure and Building Investment	£ 5,432,000
2)	The Shell Store	£ 2,493,000
3)	Ross Enterprise Park Phase 1	£ 4,500,000
4)	Rural Enterprise & Competitiveness Programme	£ 3,561,000
5)	Primary Care Centre at the Tannery	£ 2,500,000
6)	Oswestry Infrastructure Works	£ 5,000,000
7)	Stronger Communities Regeneration Sites	£ 9,400,000
8)	Marches CoE in Health Allied H&S Care	£ 3,500,000
9)	Harper and Keele Veterinary School	£ 2,500,000
10)	Wrekin Housing Trust - Changing People's Lives	£ 4,000,000
11)	Pound Farm Technology Demo Farm	£ 2,170,000

- 1.3 A number of the bids included multiple elements within an overall package. Whilst these packages were designed to be complementary, it does present opportunities for the Marches LEP to only fund partial elements, to fit within an overall funding package. Applications where this is relevant include:

- 4) Rural Enterprise & Competitiveness Programme (Bishop's Castle, Ludlow)
- 5) Primary Care Centre at the Tannery (Phase 2, Phase 3)
- 7) Stronger Communities Regeneration Sites (Donnington – Granville, Southwater Core, Station Quarter, Wellington – New College)

## Recommendations

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- 1.4 As well as the overall strength of individual bids, the recommendations for funding take into consideration for the following elements:

- Recommendation 1: The spatial priorities for funding
- Recommendation 2: The additionality to the Marches LEP region
- Recommendation 3: The contribution of elements within package bids
- Recommendation 4: Prioritised Based on Overall Scores

### **Recommendation 1: Spatial Priorities**

- 1.5 The overall programme should reflect the spatial priorities of the Marches LEP and investment priorities of its Local Authorities.
- 1.6 Where bids are based on phased activity, or a programme, Recommendation 3 ensures that investment is targeted at individual projects / phases that achieve the greatest value for money and the lowest delivery risks locally.
- 1.7 Recommended projects include:
- 5a. Primary Care Centre at the Tannery: *Phase 2 only (see recommendation 3 below)*
  - 1. HEZ Infrastructure and Building Investment
  - 6. Oswestry Infrastructure Works
  - 3. Ross Enterprise Park – Phase 1
  - 7a. Stronger Communities Regeneration Sites: *Donnington – Granville, Station Quarter and Wellington - New College only (see recommendation 3 below)*

### **Recommendation 2: Additionality**

- 1.8 Investments should represent an additional contribution of capital investment to the region.
- 1.9 On this basis, while scoring well based on direct outputs and deliverability, 2. The Shell Store, 4a. Bishop's Castle, and 9. Harper and Keele Veterinary School are not recommended for investment. In each case the capital investment will occur without LGF.
- 1.10 However, given that they are highly deliverable projects, and satisfy the remaining LGF requirements, The Shell Store, Bishops Castle, and Harper and Keele Veterinary School projects could be considered as reserve projects to help the LEP mitigate the risks in LGF expenditure.
- 1.11 For Harper and Keele, it would be helpful for the School to confirm what use freed up capital resource will be put to so that additional outputs can be identified were the School to receive funding at a later date.

### **Recommendation 3: Package Bids**

- 1.12 The bids that represent programmes of works, or covering multiple phases, have been reviewed to consider which elements make the strongest contribution to LGF (from a value for money and delivery risk perspective). This identified the following elements of packages as representing higher value for money from investment:
- 4a. Rural Enterprise & Competitiveness Programme: only Bishop's Castle
  - 5a. Primary Care Centre at the Tannery: only Phase 2
  - 7a. Stronger Communities Regeneration Sites: only Donnington – Granville, Station Quarter, and Wellington – New College

### **Recommendation 4: Prioritised Based on Overall Scores**

- 1.13 The remaining projects (excluding the 5 from Recommendation 1) are prioritised based on their overall scores:
- 8. Marches CoE in Health Allied H&S Care (Score: 108)
  - 10. Wrekin Housing Trust - Changing People's Lives (Score: 96)
  - 11. Pound Farm Technology Demo Farm (Score: 95)

## Combined Recommendation

1.14 The recommended list of projects for the funding programme, is presented in Table 1.1.

Projects	Growth Deal Value	Total Score	LEP Local Authority Area
5(a) Primary Care Centre at the Tannery*	£ 2,064,133	119	Shropshire
1. HEZ Infrastructure and Building Investment	£ 5,432,000	114	Herefordshire
8. Marches CoE in Health Allied H&S Care	£ 3,500,000	108	Telford & Wrekin
6. Oswestry Infrastructure Works	£ 5,000,000	107	Shropshire
3. Ross Enterprise Park – Phase 1 (Partial)	£ 4,500,000	105	Herefordshire
7 (a) Stronger Communities Regeneration Sites <sup>#</sup>	£ 7,000,000	96	Telford & Wrekin
<b>Total</b>	<b>£ 27,496,133</b>		

\* Phase 2 only

<sup>#</sup> Donnington – Granville, Station Quarter, and Wellington - New College only

1.15 The total available Growth Deal funding is currently estimated as £25,043,892. The recommended programme therefore represents an over-allocation of £2,452,241 (10%). It is recognised that with the constraints on timeframes for LGF expenditure there is prudence in incorporating an over-allocation, but there may also be opportunities to utilise alternative funding sources to cover this over-allocation.

1.16 This combined funding package will deliver the following core outputs:

- 1,749 gross jobs (plus potentially a further 31 associated with the Tannery - Phase 2 that the Applicant has not claimed for retail and commercial space unlocked)
- 26 jobs safeguarded
- 495 new homes unlocked
- 15.1 ha employment land (plus an additional 171m<sup>2</sup> rentable commercial office space)
- 1,152m<sup>2</sup> area of new / improved training floorspace (with an additional 125m<sup>2</sup> available for training and conference facilities)
- 1,313 new learners
- 1.4km new road
- 943 sqm primary medical centre
- 350m<sup>2</sup> of new retail space

## Reserve List

1.17 A reserve list of projects that could be funded retrospectively in the event of a surplus of funds becoming available is presented in Table 1.2.

Projects	Growth Deal Value	Total Score	LEP Local Authority Area
4a. Rural Enterprise - Bishops Castle	£ 2,251,000	120	Shropshire
9. Harper and Keele Veterinary School	£ 2,500,000	110	Telford & Wrekin
2. The Shell Store	£ 2,493,000	110	Herefordshire
<b>Total</b>	<b>£ 7,244,000</b>		