

Gill Hamer
Chief Executive
The Marches LEP

18 September 2020

By email:

Dear Gill,

RE: Getting Building Fund

I would like to thank you and your teams for the work done in helping us to agree those strategically important “shovel ready” projects that will be delivered over the next 18 months, as part of the Getting Building Fund (GBF). I am pleased to write to you to confirm the arrangements for the initial payment of the GBF by the Ministry of Housing, Communities and Local Government (‘MHCLG’) to Shropshire County UA (‘the Council’) as the Accountable Body for The Marches.

A breakdown of payments can be found in the table below. This includes the payment being made in September 2020 to which this letter relates and the indicative amount to be paid around April 2021. The agreed allocation has been split equally between the two financial years on the understanding that you have the freedoms and flexibilities to manage capital spend between programmes.

September 2020 Payment (Financial Year 2020-21)	Indicative April 2021 Payment (Financial Year 2021-22)	Total Funding Allocated
£7,000,000	£7,000,000	£14,000,000

£800,000 in total of the above GBF grant allocation in 20/21, will be transferred by Shropshire Council to Herefordshire Council directly, as soon as it is practicable, explicitly for the NMiTE Skylon Park Campus Development GBF project only. A further £800,000 is to be transferred by Shropshire Council to Herefordshire Council for the NMiTE Skylon Park Campus Development GBF project once the 21/22 indicative allocation is paid by MHCLG. Payment of 21/22 indicative allocation is subject to assurance that the overall programme is on track at the Annual Performance review (see further details below).

Please see our letter dated 14 Feb 2020 for details of the principles agreed for NMiTE Phase 2 LGF project, which will also apply to this GBF project.

Funding Requirements

Use of funding should be used to fulfil the following requirements:

1. To be used to support the Getting Building Fund (GBF) projects agreed between you the Government set out in the Getting Building Fund agreement at **Annex A**.
2. To be used to secure the outcomes set out in the Getting Building Fund agreement at Annex A.
3. We expect that all funding allocated in the financial year 2020-21 would be expended by 31 March 2021. We expect that you and your accountable body will use the freedom and flexibilities that you have to manage your capital budgets between programmes. For the avoidance of doubt we expect all Getting Building Fund monies to be expended by the end of the programme, 31 March 2022. Any changes to the list of projects must be agreed in writing with the Department via a change request.
4. To be deployed solely in accordance with decisions made through the local growth assurance framework agreed between the LEP and the Accountable Body. This must be compliant with the standards outlined in the National Local Growth Assurance Framework.

5. That you track project progress against core metrics and outcomes, in line with monitoring and evaluation in the National Local Growth Assurance Framework. To also provide quarterly monitoring reports to update on progress and track performance against agreed outputs.

6. That the LEP and Accountable Body will communicate the on-going outcomes and outputs of their Getting Building Fund projects, following the branding guidance to ensure that local people understand how Government money is being spent.

Monitoring

Throughout the delivery period the Cities and Local Growth Unit's area team will liaise with you on a regular basis. From time to time they may inspect GBF funded projects and may require additional information from you to enable us to monitor progress.

Other

Councils and Combined Authorities are reminded that, as accountable bodies for their LEPs, they are responsible for ensuring that expenditure is spent in accordance with all applicable legal requirements. This includes, for example, state aid and public procurement law.

The LEP and Accountable Body are also reminded of their responsibilities under the Public Sector Equality Duty as set out in Section 149 of the Equality Act 2010 and should have regard to these requirements when apportioning LGF funding.

For the avoidance of doubt, we may withhold further instalments of payment if you do not comply with the performance monitoring requirements or where in our opinion progress on the project delivery is not satisfactory or the future of the project/s supported is/are in jeopardy.

Towards the end of each financial year we will hold an Annual Performance review meeting. This will be used to gain assurance the programme is on track and that further funding can be released.

I am copying this letter to the Section 151/73 officer for your Accountable Body and to your Cities and Local Growth Unit Area Lead.

Yours Sincerely,

Steven Greenwood,
Deputy Director, Cities and Local Growth Unit

ANNEX A: MARCHES LEP GETTING BUILDING FUND

The Government is making £900 million available through the new Getting Building Fund (GBF) for investment in local, shovel-ready infrastructure projects to stimulate jobs and support economic recovery across the country. **Marches LEP** has been allocated **£14m** from the GBF for a wide-ranging package of projects that will deliver a much-needed boost to the local economy.

In Marches LEP, the funded projects are expected to deliver new zero carbon housing and unlock housing at key sites in Herefordshire and Telford & Wrekin; support enabling works for redevelopment of Pride Hill shopping centre in Shrewsbury; accelerate building work for New Model Institute for Engineering and Technology in Hereford; and provide new investment in the streetscape of Hereford, supporting active travel and increasing air quality. These projects align with the LEP's key priorities and will support the LEP area's recovery from Covid-19.

Outputs

Direct Jobs Created	800
Construction Jobs Created	290
Jobs Safeguarded	10
Houses Unlocked	1600
Commercial Space Unlocked (sqm)	44760
New Learning Space Unlocked	2700
New Learners Assisted	330
Businesses Assisted	250
New Retrofits	60

Summary of projects

Project	Description
Integrated Construction Wetlands	The project takes forward development of new integrated wetland sites which will function as tertiary waste water treatment works, addressing the failing levels of phosphate in the River Lugg catchment area of the Special Area of Conservation. This will unlock a high number of current planning applications which are on hold, preventing significant economic activity, jobs and growth in Herefordshire. This project also delivers strong environmental benefits, enhancing local biodiversity.
Pride Hill Remodelling	Repurposing of the Pride Hill shopping centre will secure a vibrant and sustainable future which contributes to Shrewsbury as a quality destination for residents and visitors. Shropshire Council is securing a leisure anchor use for the building with complementary cultural and civic uses - the project will take forward enabling works, including securing vacant possession and partial stripping out of the Centre.
Tackling Fuel Poverty Through Zero Carbon Innovation	Producing zero carbon homes across Telford & Wrekin using a combination of energy technologies to be retrofitted to existing homes, or fitted into brand new homes. Impacts include low energy bills easing fuel poverty in Social Housing; reducing the

	load on the local grid; and eliminating carbon through energy consumption. The project will concentrate on the retrofit of 68 homes (PV and Battery Storage) and 11 non-Passivhaus new builds where planning permissions have already been granted.
Hereford City Centre Improvements	The refurbishment of the historic core of Hereford through investment in the streetscape with high quality materials and consistent soft and hard landscaping. The project builds on temporary measures for walking and cycling implemented during COVID. This scheme will increase footfall and the economic potential of businesses, improve active travel opportunities and air quality and increase private investment in property, providing a modern city centre environment.
New Model Institute for Engineering and Technology (NMiTE) Skylon Park Campus Development	The Skylon Park development is a pivotal component of NMiTE, located at the heart of Herefordshire's Enterprise Zone. Accelerated funding for the project will facilitate completion of the Centre for Automated Manufacturing and Centre for Future Skills sooner than currently planned, supporting local and regional businesses and jobs.

Stronger Communities - New College, Wellington and surrounding site with Wrekin Housing Group (WHG)	The New College site and WHG housing sites are located within or adjacent to one of the most deprived wards in the borough and are gateways into Wellington. The project will unlock this stalled site, delivering new residential units and incorporating sustainability in design, whilst also improving walking and cycling routes into Wellington.
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Marches LEP will be expected to deliver the agreed projects but will have flexibility to deliver the greatest economic benefits to the area. Any significant changes to the projects should be agreed with the Government in advance, and all investment decisions must be undertaken in line with locally agreed audit and scrutiny arrangements.