

Item 12: Growth Deal Contract Variations

1) For decision:

- (a) To approve variations to Growth Deal projects as set out in this paper.

Background

2.1 Four projects in receipt of Growth Deal funding (grants and loans) have submitted requests for variations to the terms of their funding agreements. The funding periods within the contracts for projects seeking extensions all expire on 31 March 2018. If the projects are allowed to continue to incur expenditure without a valid contract, they may not be able to draw down funding from the programme in financial year 2018/19.

2.2 These decisions being brought to the LEP Board as the levels of funding affected are above officers' delegated authority as set out in the current Scheme of Delegations.

(b) Variation Requests

3.3 The following changes are requested;

- a) **Lancaster Way Phase 2 (Grant), Grovemere Properties**
Request for funding availability period to be extended from 31st March 2018 to 31st October 2018. The project has been impacted by delays to highways feasibility studies led by Cambridgeshire County Council, which will guide the delivery of infrastructure improvements for which this funding is intended.
Budget moving from 17/18 to 18/19 - £863,484
- b) **Lancaster Way Phase 2 (Grant), Grovemere Properties**
Change of use for a proportion of the budget, originally intended for utilities infrastructure within the project business case but not spent, to be used towards the highways improvements, subject to feasibility study (expected Summer 2018).
Expenditure of £58,484 within project envelope, rather than returning to Growth Deal.
- c) **Kings Dyke Crossing, Whittlesea, Cambridgeshire County Council**
Request for funding availability period to be extended from 31st March 2018 to 31st March 2019 to allow full use of grant amount awarded. The project is delayed primarily due to lengthy negotiations with multiple landowners adjacent to the site, which has had an impact on surveys and design.
Approximately £5,747,706 to move from 17/18 to 18/19
- d) **iMET Technical and Vocational Centre Alconbury Phase 3, Cambridge Regional College (CRC)**
Changes in project governance (originally led by Huntingdon Regional College) resulted in a delay to the start of the construction phase. CRC has requested an extension to the funding availability period to enable full fit-out of the iMET building, due to open fully in September 2018.

Budget moving from 17/18 to 18/19 - £684,000-£750,000

e) **Signpost2Grant, GCGP LEP**

GCGP launched the Signpost2Grant programme in 2016 and provided 15 SMEs with grant support but did not fully allocate all the Growth Deal funding. The LEP then successfully won ERDF monies to provide grants throughout 2017/18 which is now fully allocated. The LEP would like to be able to use the remaining Growth Deal balance, but this would require an extension to the funding agreement from 31st March 2018 to 31st March 2019.

Budget moving from 17/18 to 18/19 - £73,620.

(c) Financial Implications

- 4.1 The total impact of requests to extend funding periods on cashflow within the programme is between £7,295m and £7,360m subject to claims currently in processing.
- 4.2 Government has agreed that underspend from 2017/18 can be carried into 2018/19. The LEP can therefore move the funding allocated for these projects into the next year of the programme, without impact on the overall programme budget.

(d) Further Considerations

- 5.2 The Growth Team will continue to monitor the projects' progress and the potential impacts on practical completions and outputs.