South East Midlands Local Enterprise Partnership

Local Growth Fund Evaluation
Evaluation Report

June 2021

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Executive Summary

The Government awarded a total of £265 million of Local Growth Fund (LGF) funding to the South East Midlands area from 2015 to 2021 for capital projects to support growth. This has now been extended to March 2022 to take account of the pandemic's impact on delivery.

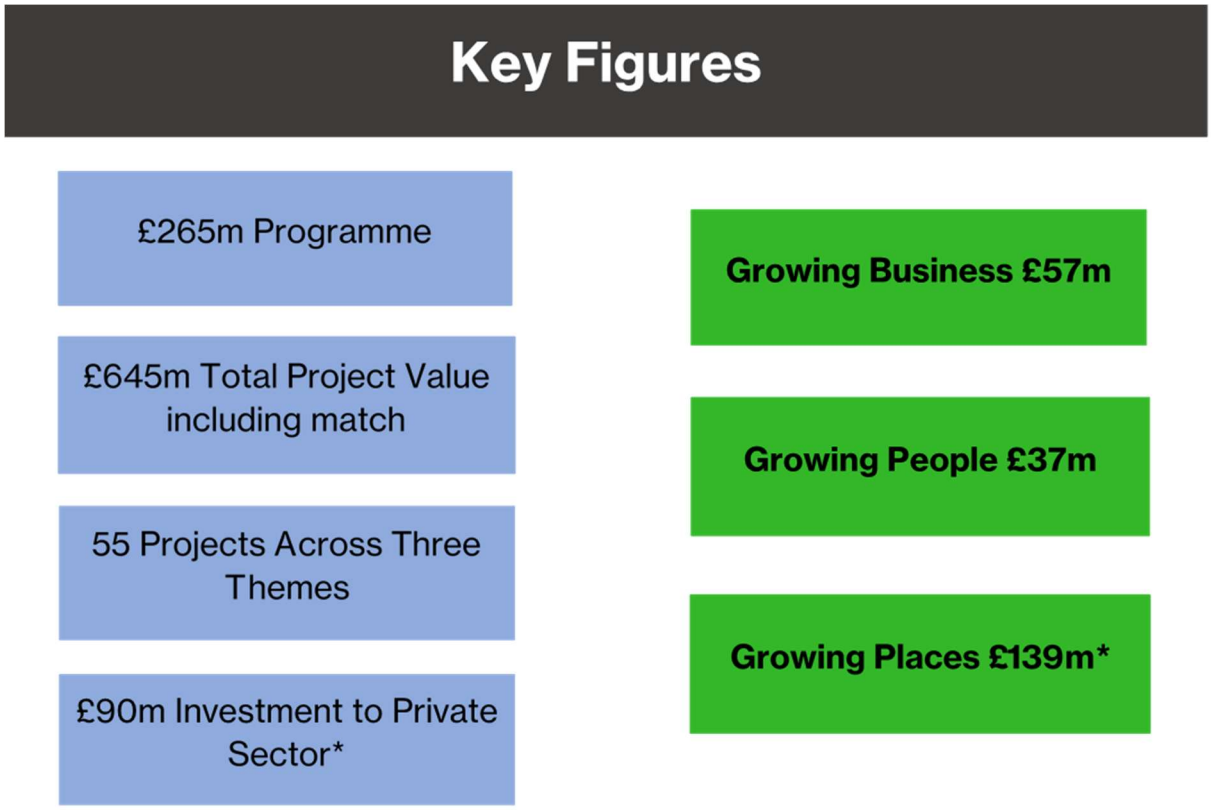
The current approved programme of over 50 projects is delivered under three themes:

- Business: supporting productivity
- People: enhancing skills
- Place: building transport schemes and enabling housing and employment infrastructure.

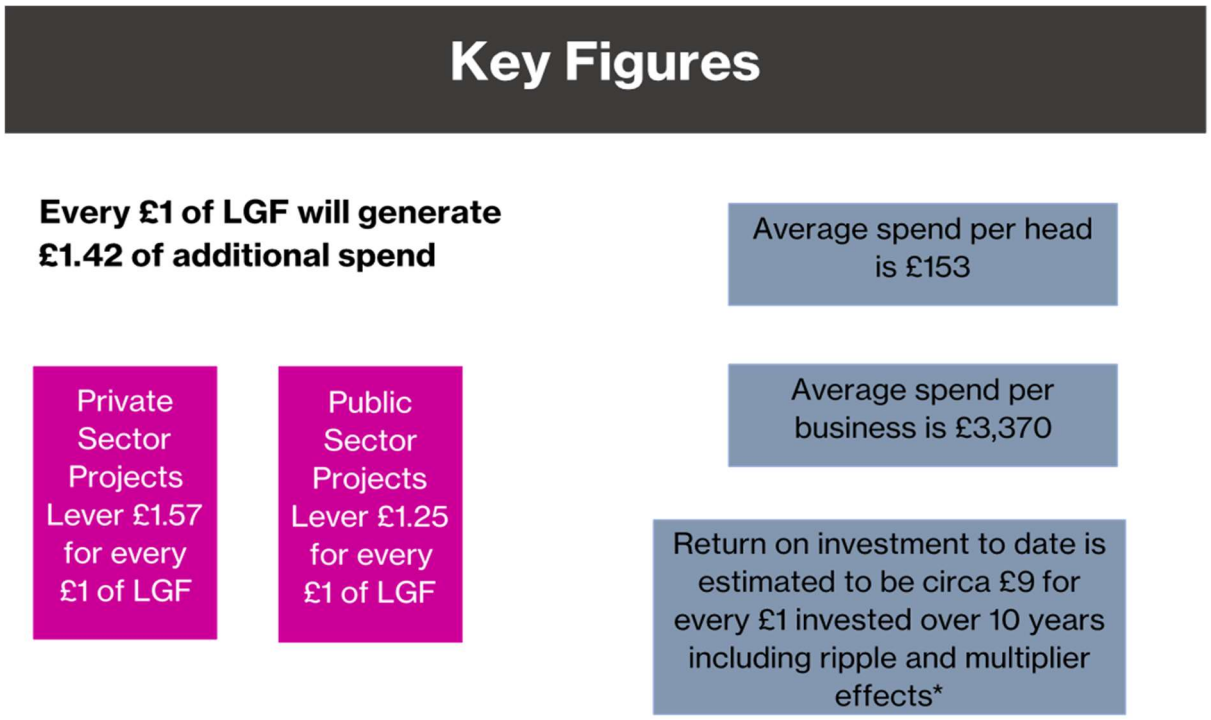
The Local Growth Fund investment programme aims to deliver over 40,000 homes, 22,000 jobs and 9,000 learners by 2030.

The Evaluation

In March 2021, South East Midlands Local Enterprise Partnership (SEMLEP) appointed Focus Consultants to undertake a programme level evaluation of the South East Midlands Local Growth Fund programme to articulate the impact of the programme on the SEM area but also to learn the lessons and identify areas of learning for future delivery.



* private sector includes Higher and Further Education
* thematic analysis excludes the DfT retained M1 Junction 13 project and therefore does not align with £265 total.



*The research undertaken has been designed to estimate the total effect of the programme considering a wide range of consequential or induced effects as well as the immediate effects.

Economic Impact

The evaluation estimated the potential wider economic impacts of the LGF funded projects on the SEM economy. This considers the wider ripple effects of expenditure by new residents and the GVA of employees in new commercial workspace constructed through the programme and the lifetime benefits for learners for example. The key findings are:

Estimated economic benefits achieved in the SEM area by the end of 2020, as a result of LGF Investment:

- **Additional Spend in the Local Economy in the SEM area by New Households:** circa £25m per annum.
- **Jobs GVA:** an additional £173m increase in GVA per annum.
- **Learners Economic Benefits:** 5,523 learners have been trained/are in training to date. When they have completed their training, it is estimated that as a result of increased wages/income, there could be an additional £5.9m spending locally per annum.
- **Commercial Floorspace:** to date the LGF investment has created sufficient floorspace to accommodate circa 3,500 employees.
- **Apprentices:** 484 apprentices have started their training to date. When they have completed their apprenticeships, it is estimated that they will have the potential to increase productivity by £3.8m for the SEM economy per annum.
- **Research and Development:** £5m of private sector R&D.

Potential economic benefits to be achieved in the SEM area by 2030 as a result of LGF the Investment and inclusive of the impacts above:

- **Additional Spend in the Local Economy in the SEM area by New Households:** potential circa £186m per annum.
- **Jobs GVA:** a potential additional £656m increase in GVA per annum.
- **Learners Economic Benefits:** 8,989 learners will have been trained/be in training by 2030. When they have completed their training, it is estimated that as a result of increased wages/income, there could be an additional circa £8.5m spending locally per annum.
- **Commercial Floorspace:** by 2030, the LGF investment is forecast to have created sufficient floorspace to accommodate nearly 4,000 employees.
- **Apprentices:** By 2030, 1363 apprentices are forecast to have started their training. When they have completed their apprenticeships, it is estimated that they will have the potential to increase productivity by around £9.5m for the SEMLEP economy per annum.
- **Research and Development:** £26m of private sector R&D.

*Based on the calculations undertaken as part of this evaluation, this suggests a Return on Investment currently of nearly £9 for every £1 of LGF investment to date. This takes account of the total economic impacts including ripple effects in the economy. The full Economic Impact Analysis is available in Appendix 9.

Outcomes

Programme outcomes as identified through the evaluation are clearly linked to the aspirations of the South East Midlands Local Industrial Strategy:

Ideas
- Stimulating markets and acting as a catalyst for further investment.
- Developing new technologies through Research and Development.
- Further building the knowledge cluster and world leading research facilities.
- Enhanced reputation of the area for innovation and embracing new technology.

People
- Addressing skills gaps and developing skills needed by local industry including digital skills.
- Improving employability and creating new employment opportunities and reducing the number of residents commuting out of the area for employment.

Infrastructure
- Enhanced digital infrastructure.
- Positioning the region to maximise the opportunities of investments such as East-West Rail.

Business Environment
- Raising the profile and ambition of the area through investment.
- Attracting businesses to the region to undertake Research and Development.
- New businesses started and supported to grow.

Places

- Development of new products and processes helping to meet climate change requirements.
- Improved connectivity with improved sustainable transport options and reduced travel delays.
- Improved town centre environments.

Net Zero Carbon

- The development of technologies and processes, particularly in transport and advanced engineering but also agriculture to reduce environmental impact of key industries.
- An increasing focus on investing in projects which contribute to the region's transition to net zero carbon including R&D and testing of electric vehicles and other low-carbon automotive technologies and vertical farming.
- Investment in 5G infrastructure in Milton Keynes which will result in applications which will accelerate mass uptake of low-carbon energy solutions.
- Improved sustainable transport options with improved conditions for walking/cycling and encouraging the use of and making it easier to travel on public transport.

Sustainable Communities

- Supported social mobility through education and training provision with a focus on the skills needed by local companies.
- Trained 80 new doctors through the Academic Centre MK Hospital project resulting in 80 additional doctors working in local wards during the Coronavirus pandemic.
- Funded a project with a school which was designed to see if funding a school has an academic impact. Whilst it's too early to say what the impact has been, funding such a project demonstrates innovation in the use of funding to achieve diverse outcomes.
- Investment in 5G infrastructure in Milton Keynes resulting in trialling of applications focused on health and wellbeing such as supporting access to efficient healthcare services and testing new methods of diagnosis.
- Funded investment which resulted in residential and non-residential properties being protected from future flooding, delivering huge social and economic benefits for property owners and occupants.

Key Findings

Key findings of the evaluation are as follows:

- Whilst at first the projects funded reflected the Government's priorities, with a strong focus on transport due to much of the LGF budget coming from the Department for Transport, there has been a clear shift in line with the Local Industrial Strategy with an increasing focus on business, innovation, low carbon and related skills and significantly increased private sector involvement.

- Increasingly significant investment in time to promoting the bidding rounds, supporting projects through the pre application and due diligence process. This is considered an example of very good practice and this level of pre application engagement has not been evident or as evident elsewhere.

- Engagement and appraisal processes are considered an example of very good practice with a focus on bringing forward projects that are strategically aligned, deliverable and essentially 'fundable'.

- Programme management is overwhelmingly seen as extremely strong and an example of best practice. Relationship building and beginning to end involvement is exemplary and considered a key contributor to the success of the programme.

- Exceptional performance in terms of meeting expenditure forecasts.

- There has been a very successful drive for more private sector involvement following a steer at LGF 3.

- There has been an uneven geographical spread with Central Bedfordshire and West Northamptonshire being allocated the most LGF. More than two-thirds (69.6%) of the total LGF allocation has been committed to these two areas.

Feedback from Projects

"On a scale of 1-5 how well do you rate the overall programme management of the LGF programme? 5 being very high, 1 being very low". Of those that answered, 100% gave a rating of either 4 or 5.

"Do you think that the relationship with the LGF Programme team at SEMLEP has helped or is helping you to deliver the project?" Of the people that answered this question, 90% said yes.

"The LGF Programme Team at SEMLEP has been extremely supportive throughout the whole process from application throughout the delivery stages of the project."

"I much prefer the milestone payments approach; it is much easier to understand and focused discussions on progress to reaching each milestone."

"SEMLEP have established a robust and objective application and evaluation process which is clearly explained from the outset."

"The Programme Management Board meetings have been very valuable indeed. Key benefits include: opportunities for a valuable inter-face with other project managers which in turn enables intelligence, delivery experiences and challenges to be shared and, importantly, the cross-fertilisation of ideas."

"They are very invested in and good at developing relationships and this is very helpful in managing the programme. They are a pleasure to work with."

Lesson Learnt

Overall, the findings of the evaluation have been very positive and learning has been built into the programme. A small number of suggestions were made or identified which could inform future programmes:

- The Board recognises that LGF started as a public sector funding stream but welcome the focus on Local Industrial Strategy more recently and want to see this diversity continue.
- Build net zero carbon into the application and appraisal process as a gateway criterion, aligning with the Green Book update where there is increasing focus on the net zero commitment.
- Depending on the LEP Review findings, ensure a strong pipeline of projects is in place. This will build on the region's success in securing funds from the Getting Building Fund in 2020 which was in part due to having a strong pipeline.
- Some projects did suggest that there are too many meetings but the flexibility of the contact plan approach perhaps means the frequency of meetings can be adjusted as necessary whilst continuing to manage risk.

The Future

A number of recommendations and suggestions for the future have been identified through the evaluation. These are listed in priority order below.

1. It is clear that there is a huge amount of experience, expertise and recognised good practice in the programme management approaches applied to the LGF programme which could and should be utilised to manage similar investment programmes. This could include for example a role in independently managing investment in the Oxford-Cambridge Arc and supporting Local Authorities in the management of Levelling Up Fund investment and the delivery of Town Investment Plans. As recognised through the consultation, this provides an opportunity for SEMLEP to generate income to support core cost and future programmes.
2. To maximise impact, it is considered that any future funding should come with flexibility for LEPs to develop and deliver a programme that is specific to and meeting the needs/opportunities of their area – an approach which has proved successful for SEMLEP. For the SEM area, future funding clearly needs to align with the Economic Recovery Strategy with a focus on economic recovery and growth through innovation and commercialisation and green recovery and growth and particularly in the context of being the core of the Oxford-Cambridge Arc.
3. Future funding opportunities should consider geographical spread and targeted approaches to ensure that funding reaches and targets the greatest priorities in the region. This will help to address the uneven geographical spread seen in the LGF programme and ensure areas that have received a low proportion of funding such as Luton are able to access future funds to address the greatest priorities in these areas. A targeted approach by SEMLEP to increase private sector applications has been very successful and a similar geographically focused approach is recommended for the future.

4. It was also suggested that future programmes should focus more on productivity measures rather than job creation metrics alone. Productivity effects will typically lead to higher wages, rather than higher employment and increasing productivity underpins the SEM Local Industrial Strategy. Productivity is widely recognised as being challenging to measure but there may be an opportunity to develop the consideration of productivity effects into the appraisal process, aligning with the Green Book update that states productivity effects should be included in the calculation of UK costs and benefits where they can be objectively demonstrated.

5. The fact that each project needs to produce an evaluation plan and evaluation reports is considered a strength. Potentially, more could be done to review the evaluation plans periodically to ensure appropriate baseline information is being collected and ensure opportunities to gather evidence is not being lost. It is recognised that many projects will find this difficult to resource and SEMLEP may wish to consider an evaluation panel who can work with projects – not to evaluate directly but to be involved in the project contracting and inception process to advise and support on how to undertaken evaluation, ensuring appropriate baseline and data is collected and to be a source of support and guidance as projects are delivered. This will provide robust information to support future programme evaluations.

6. Projects supported through the LGF are delivering wider social and environmental benefits and these are not necessarily getting captured and reported formally as this is not required by Government. Although it is recognised that projects are encouraged to collect and report information on wider impacts. For future funding programmes, SEMLEP could consider the development of an evaluation framework which emphasises the importance of evaluating social and environmental impacts as well as economic impact with ideas and suggestions of how these can be evaluated. Again, this could be supported with external advice and guidance to provide additional resource.

7. The strong private sector involvement in the programme is a success which can be built upon. If the structure of the LEP allows, there may be opportunities for the LEP to consider profit share arrangements with suitable projects which could generate funds to support programme management and investment in projects.

8. There was some concern raised regarding the amount of funding going into companies that have been successful in securing more than one grant. Whilst it is recognised that assurance processes are strong, this point should be considered in the future to ensure a range of different businesses are aware of funding opportunities. This would build on the excellent private sector engagement work already undertaken by SEMLEP.

9. Linked to this, there is an opportunity to respond to the findings of the Equality Diversity & Inclusion research and activity commissioned by SEMLEP to maximise inclusion across the region and ensuring people who haven't engaged previously are aware of the opportunities and supported to apply where there is alignment with SEMLEP priorities. This could include making actions to promote inclusive growth is a gateway criterion and using a strong EDI evidence base to set specific targets for future funding rounds or programmes which focus resources on action that will support inclusive growth. In this way SEMLEP could essentially commission projects which targets funds, informed by EDI evidence.

10. SEMLEP introduced a two-stage application process which has meant it is easier for applicants to make an application without huge amounts of resource. One suggestion identified through the consultation was whether there was an opportunity for a very simple initial process that would help organisations quickly eliminate themselves or decide to pursue further discussion by answering some simple questions. *"There's a technology project here. Build an app that helps applicants decide whether or not they should apply".*

1.0 Introduction

In March 2021, South East Midlands Local Enterprise Partnership (SEMLEP) appointed Focus Consultants to undertake a programme level evaluation of the South East Midlands (SEM) Local Growth Fund (LGF) programme to articulate the impact of the programme on the SEM area but also to learn the lessons and identify areas of learning for future delivery.

Specifically, SEMLEP wanted the evaluation to consider the following:

- How was the programme delivered? This should include the changes over time covering the different rounds and approaches.
- How well has the programme delivered on its expenditure objectives?
- How well has it delivered on its output's delivery to date?
- Has the programme reached its desired outcomes in the SEM area?
- Were there any unexpected outcomes?
- Are there lessons to be learned for future delivery?

This is therefore both a process and impact evaluation and was undertaken through the following:

- Consultation with staff in SEMLEP including the Chief Executive, Director of Programmes and Governance, the LGF Programme Contract Managers and the Programme Officer.
- Consultation with the Chairs of SEMLEP Board and the Growth Funds Task Group.
- Consultation with stakeholders such as Luton Borough Council as Accountable Body, Cities and Local Growth Unit and Hatch Regeneris who supported the application, appraisal and due diligence process for the last two bidding rounds.
- Analysis of financial and output reports for the programme.
- Review of bidding documentation and due diligence reports, assurance framework, SEMLEP economic strategies and other relevant background documentation.
- Online questionnaire sent to all projects supported through the programme.
- One to one consultation with a selection of supported projects.

1.1 Local Growth Fund

Following the review on local economic growth by Lord Heseltine in 2012, the Government created a £12bn 'Local Growth Fund'; all 39 LEPs across the UK bid for a share of the funds. The LGF aimed to drive growth across areas by providing additional funding and leveraging investment to provide employment, new homes and space for businesses, provide high quality skills and training facilities and deliver key transport improvements across the area.

Local Growth Deals provided LGF funds from Central Government to LEPs for projects that benefit their local area and economy. To secure funds, LEPs were required to submit a portfolio of projects to Government. After being assessed by Government, the first Growth Deal projects were announced in July 2014. Growth Deal 2 projects were announced in January 2015 and finally Growth Deal 3 projects were announced in March 2017.

The first round of LGF was linked to the preparation of a Strategic Economic Plan for each LEP area. Rounds 2 and 3 had to align with the Strategic Economic Plan but projects were essentially selected by Government with the funding then managed by LEPs. Following the announcement of LGF Round 3, LEPs were given more freedom to manage the funding and the projects as a programme and this led to LEPs launching their own bidding rounds when funds became available either through underspends or selected projects not being able to proceed.

The Government awarded a total of £265 million of LGF funding to the SEM area from 2015 to 2021 for capital projects to support growth. This has now been extended to March 2022 to take account of the pandemic's impact on delivery.

The current approved programme of 55 projects is delivered under three themes:

- Business: supporting productivity.
- People: enhancing skills.
- Place: building transport schemes and enabling housing and employment infrastructure.

The Local Growth Fund investment programme aims to deliver over 40,000 homes, 22,000 jobs and 9,000 learners by 2030.

The range of project is diverse and has evolved over time as the strategic context for the area has changed. Examples of projects funded include the Cranfield Forensic Institute, a National Hydroponics Demonstrator and Skills Centre, a Centre of Excellence for Low-Carbon Automotive Technologies, a Digital Skills Academy, redevelopment of Bletchley Station, a 5G Testbed, a new STEM Teaching Block and a range of major transport infrastructure investments. A summary of all projects is included at Appendix 1.

1.2 Strategic Context

The South East Midlands occupies a strategically important location, linking Oxford, Cambridge, London and the Midlands. The area now in 2021 comprises 6 local authority areas:

- Bedford Borough
- Central Bedfordshire
- Luton
- Milton Keynes
- West Northamptonshire
- North Northamptonshire.

When originally established, SEMLEP consisted of 11 local authority areas covering Bedfordshire and parts of Northamptonshire, Oxfordshire and Buckinghamshire. In August 2016, the government approved a merger between SEMLEP and Northamptonshire Enterprise Partnership (NEP) with the two transitioning to a single integrated LEP by March 2017. Following the 2018 LEP Review, in April 2019, Cherwell District Council consolidated their position in OxLEP and from April 2020 it was agreed that the Aylesbury Vale District Council (AVDC) area would leave SEMLEP's geography and would become part of the new Buckinghamshire Unitary Authority. On 1 April 2021 the eight existing councils in Northamptonshire were replaced with two new unitary councils West Northamptonshire and North Northamptonshire.

SEMLEP's mission is to build on the South East Midlands' reputation as a premier location for growth, innovation, creativity and world-leading technologies, which will result in a doubling of the area's GVA by 2050. Working towards this, SEMLEP has a key role in setting the strategic priorities for the local economy. There are a number of economic strategies which covered the period of the LGF programme and these are available online and summarised in Appendix 2.

The focus of SEMLEP's economic strategies have evolved somewhat in response to changing circumstances and in response to continuing economic intelligence and the priorities of the SEMLEP Board and the Government. There has been an increasing focus on productivity, innovation and sustainability and ensuring people have the right kind of skills to support these themes in the SEMLEP economy. The evolving strategic context also highlights the importance of the SEM area in the context of the Oxford Cambridge Arc.

2.0 Programme Delivery

As is shown above, the focus of the strategic context for SEMLEP has evolved over the period of the LGF programme and this is also reflected in the way the programme has developed and the nature of projects being delivered. This section details the assessment process for each LGF round, looking at the assessment process, prioritisation criteria, and how these processes have changed and how this is reflected in the nature of the projects supported.

2.1 LGF 1

As part of the development of the Strategic Economic Plan an initial list of projects was assembled. There were effectively four initial sources of projects, namely: (i) SEMLEP Infrastructure Investment Plan (ii) MKSEM City Deal (iii) Priorities from Local Transport Bodies and (iv) an assessment exercise, to identify projects with a strong strategic fit within the four pillars of the plan. At this stage, each local authority was asked to provide an initial prioritisation within their local authority area.

An economic prioritisation framework was developed by Arup to respond to the need to assess a range of project types, reflecting the breadth of the themes in the Strategic Economic Plan. The framework prioritised projects on the basis of nine core criteria:

- Strength of strategic case
- Net impacts/additionality
- Urgency
- Value for money (VFM)
- Timetable assurance/deliverability
- Project management team and processes
- Land ownership status
- Planning permission status
- Feasibility and design status.

Projects were scored 1-10 against each of these criteria.

30 applications came from Local Authorities, 9 came from educational organisations.

The nature/sector of applications was as follows:

Applications by Theme	
Skills	10
Employment Site	5
Transport	13
Infrastructure	2
Innovation/Business Support	8
Employment	2

Examples of projects funded under LGF Round 1 include:

- Woodside Link, Bedfordshire: the building of a new link road in Houghton Regis to enable major employment growth and help reduce congestion north of Luton.
- Development costs for A421 improvements from Fen Farm to M1 J13, Milton Keynes: to facilitate a business case to DFT for dualling of this stretch of the A421 to allow for housing and employment growth in the area and reducing congestion.
- Smarter Routes into Employment: to deliver and promote sustainable transport choices within Luton and Dunstable, enabling people to commute sustainably and healthily between home, work and education.
- Northampton College, Daventry Campus: a purpose-built campus that provides excellent vocational facilities that engages and inspires students to achieve in a town with very out dated FE space.
- Bletchley Station redevelopment, Milton Keynes: creation of a high-quality station gateway to connect several recent developments and provide a catalyst for further investment in preparation for East West Rail.

2.2 LGF 2

For LGF Round 2, partners were contacted to notify them of the opportunity to bid for the LGF and a user guide was circulated to partners which set out the process for bidding, timescales and criteria against which projects would be assessed. A helpdesk facility was available to allow bidders to ask questions, and there was an opportunity for early feedback on submissions.

Projects were assessed against nine core criteria as follows:

- Need for public sector intervention
- Strategic fit
- Private sector leverage
- Net economic impact
- Wider impacts
- Value for money (VfM)
- Deliverability
- Risks
- Management structures.

Each of the bids were appraised by Hatch Regeneris using these criteria, with each bid provided a ranking from 1 to 5, representing poor to excellent.

A total of 29 project bids were received, including 18 from Local Authorities, 4 from Further Education Colleges and 4 from Universities. Other applicants included Further Education South East Midlands (FuSE) Group, MK Gallery and Millbrook Proving Ground.

The project bids submitted included a variety of types with innovation/R&D receiving the greatest number of project bids (5), followed by Further Education Estate projects (4) and Road projects (4). There was just one housing project submitted and two employment land related projects.

Applications by Theme	
Employment Land	2
FE Estate	4
Housing	1
Innovation/R&D	5
Other	4
Other Transport	3
Road	4
Sector Growth and Enterprise	3
Wider Sector Skills	3

Examples of projects funded under LGF 2 include:

- The Multi User Environment for Autonomous Vehicle Innovation - development of an open innovation facility at Cranfield University allowing for the integrated development of autonomous transport vehicles and related complex intelligent systems.
- A project to extend Milton Keynes Gallery so it can expand, diversify its programme, build audiences and ensure sustainability.
- Development of the Bedford College Advanced Engineering Centre (now known as the Buchanan Centre) at Bedford College.
- I-WORX - an Advanced Technology and Engineering Workshop Cluster offering twelve bespoke, modern engineering and workshop spaces on the new Bedford Commercial Park.
- Development of The Exchange in Aylesbury – a scheme to bring forward a mixed-use development of housing, retail, leisure and public realm in the town centre.
- The Vulcan Iron Works Project to deliver a Creative Industries Hub of managed workspace in the Northampton Waterside Enterprise Zone.
- Millbrook Technology Park – developing three new buildings to provide new facilities for research and development.
- Funds that were retained by Department for Transport to allow the development of transport infrastructure in Bedford and M1 A6 north of Luton (the latter was then to receive a further award in LGF3).

2.3 LGF 3

The criteria set out by government in Round 3 for allocating the funding between LEPs sought the demonstration of a greater level of private sector engagement and investment than in previous rounds. In response to this, SEMLEP and Northamptonshire Enterprise Partnership (NEP) developed a joint process to bid to government covering their combined area to reflect the forthcoming merger of the LEPs.

Investment Project Information Pro-forma was issued and made available via the LEP websites to prospective applicants in early May 2016. Pre-application advice was available before the submission deadline.

Applicants who contacted SEMLEP or NEP were advised of this via email and a notice was posted on the relevant pages of the SEMLEP and NEP websites. This pre-application advice was open to all potential applicants and was provided to applicants over the phone and followed up by email.

An Assessment Framework was developed by Ekosgen against which projects could be assessed; the Framework was based on the structure of pro-forma and the requirements of the SEMLEP Assurance Framework. The framework was based on 12 criteria that consider (i) the need for the project and its potential impacts and (ii) the deliverability of the project:

- Alignment of the proposal to LEP objectives
- Alignment of the proposal to wider government initiatives
- Evidence of need
- Evidence of market failure
- Direct economic impacts
- Wider impacts
- Value for money
- Private sector leverage
- Project costs and funding
- Risk assessment and mitigation
- Project management
- Project timescales.

Projects were scored 1 to 5 depending on the scale of impact and/or level of evidence provided in the pro-forma. The maximum score for any project was 60. For some criteria, it was necessary to consider both the scale of their potential impacts and the robustness of the supporting evidence; here, projects received two scores, one for each, with the minimum of these scores being awarded. This approach allowed the LEP to ensure projects were of a high impact and had a strong evidence base.

Project Shortlisting: To ensure that prioritised projects met a minimum level of quality that is consistent with the LEP Assurance Framework, projects needed to achieve a minimum score of 30 (50% of points available), and score 3 or more for:

- Economic impact
- Market failure
- Project costs and funding
- Project timescales.

Projects were also scored out of 3 for State Aid risk.

Appraisal and Prioritisation Process: Led by Ekosgen, the review process consisted of measuring each application against the Assessment Framework; a moderation exercise; and initial project shortlisting and identification of marginal projects.

Projects were reviewed against the shortlisting criteria and classified as: satisfying, having the potential to satisfy, or not meeting the minimum selection criteria.

A total of 40 applications were received and assessed by SEMLEP and NEP for LGF 3. The majority of projects (21) primarily related to infrastructure and connectivity, 11 projects related to business productivity and a smaller number of projects were related to workforce skills and housing. Of the 40 applications, 11 were from the private sector.

Applications by Theme	
Pillar 1: Business productivity	11
Pillar 3: Workforce skills	5
Pillar 4: Infrastructure and connectivity	21
Pillar 5: Housing	3

Examples of projects funded under LGF Round 3 include:

- Leyland Trading Estate in Wellingborough - investment to address a critical development viability issue to support the delivery of an industrial workspace development.
- Catesby Aerodynamic Research Facility in Daventry - creation of an enclosed test track using a former rail tunnel near Daventry to give the UK a competitive advantage in vehicle testing and technology.
- Luton Cultural Quarter Creative Cluster in Luton – creation of a new centre for the Creative and Digital Industries in a network of four former Hat Factory buildings.
- MAHLE Real Driving Emissions Centre in Northampton - building a new R&D vehicle test chamber, which will be unique in the UK.
- Northampton North West relief road between the A248 Harleston Road and A5199 Welford Road is necessary to enable and unlock further development in Northampton and relieve pressure on existing local highway network (although it should be noted that this is yet to be fully approved by the SEMLEP Board at the time of writing).

Following the Government confirmation of funds in March 2017, SEMLEP approved a total of nine projects for funding under LGF 3 and five of these were from the private sector.

2.4 Skills Capital Fund

Due to funds becoming available to the programme arising from the merger with NEP, in 2017 SEMLEP launched a £10 million Skills Capital Fund (SCF) open to Further Education colleges within the region. Hatch Regeneris was appointed by SEMLEP to appraise applications to the SCF, in line with the Stage 1 Appraisal process set out in SEMLEP's Assurance Framework. Hatch Regeneris provided guidance on which projects were appropriate to prioritise for investment, in line with SEMLEP's Strategic Economic Plan and wider objectives.

Stage 1: The prioritisation and selection process involved the completion of a pro-forma by applicants, followed by their appraisal and prioritisation. Projects prioritised by the Growth Funds Task Group were recommended for in-principal approval by the SEMLEP board.

Stage 2: Once in-principal approval was granted, the Stage 2 assessment process required applicants to develop a detailed business case for the investment. For projects where £5m or less was requested, this could be in the form of an updated pro-forma; for projects where more than £5m was requested, a full business case was required.

Applications were assessed against the following criteria:

Assessment of Project Need and Demand	• Alignment to LEP and national policy objectives • Alignment to the Department of Education Area Based Review • Evidence of need for the project • Evidence of market failure • Direct economic impacts • Wider impacts • Value for money • Private sector leverage • Levels of employer engagement • Contribution to equal opportunities.
Assessment of Project Delivery	• Project costs and funding • Risk assessment and mitigation • Project management and arrangements • Project timescales (inc. alignment with LGF programme) • State aid.

For all projects that scored above the minimum for each of the criteria, the final programme was selected according to the principles listed below.

- Compliance with the area-based review.
- Programme overall achieves good value for money (Benefit:Cost Ratio>2).
- The programme maximises the potential to deliver project outputs.
- The programme provides coverage across the SEMLEP region (i.e. the programme includes a number of local projects covering a range of geographies, or a smaller number of larger projects with wider coverage).
- The programme provides a broad coverage of SEMLEP's priority sectors.
- The programme prioritises areas where there are identified gaps in provision (both spatially and by sector) and reflects any previous allocation of LGF funding.
- The programme promotes engagement with employers in the region.

Six bids were received and three were approved. Projects supported include the Wellingborough Campus Renewal Project and the Northampton College Advanced Construction Engineering Centre.

2.5 LGF 2018 Bidding Round

Following the likely reallocation of funds from large infrastructure projects in 2018, a bidding round for these 'released' funds was launched. The 2018 LGF Bidding Round was open to all public and private sector organisations seeking to deliver capital investment projects within the SEMLEP region. SEMLEP engaged widely to raise awareness of the funding and engage with potential applicants to explore whether specific projects would be suitable for LGF. The main aim of this activity was to ensure that the fund aligned with the emerging themes and evidence base for the Local Industrial Strategy, delivered the maximum possible benefit and to improve the quality and compliance of the bids.

Alongside the promotion of the fund, the following pre-application advice was provided to potential applicants:

- Potential applicants were able to book telephone sessions to discuss their project with SEMLEP and explore whether the investment proposition would be potentially suitable for LGF funding.
- Three LGF Bidding Round events were held at different locations in the region. The sessions involved a presentation by SEMLEP which provided an overview of the bidding round and assessment process and included an opportunity for applicants to ask questions/seek clarification on the assessment process and the requirements of LGF.
- At the three LGF Bidding Round events, prospective applicants were also able to book one-to-one sessions to talk through their projects in greater detail.
- For those applicants unable to attend the events and/or book one-to-one sessions, telephone sessions were provided.
- A range of online resources were provided to assist applicants in completing the pro-forma.

SEMLEP set out the following objectives for the LGF 2018 bidding round, which formed the basis of the assessment process:

- Strategic Alignment: the programme should have a strong focus on the opportunities arising from the Oxford – Milton Keynes – Cambridge Growth Corridor and the emerging Local Industrial Strategy, as well as supporting the delivery of SEMLEP's 2017 Strategic Economic Plan.
- Need and Economic Contribution: There should be a clear rationale for public intervention and projects should have a measurable impact on the economic success of SEMLEP's communities. This may include the delivery of high-value employment opportunities, building on the region's business strengths, and supporting creativity and skills.
- Deliverability: Individual projects should have a strong focus on deliverability by 2021, and the programme will support projects that are investment-ready.

The development of the programme followed a five-stage process: pre-application advice, initial assessment, detailed appraisal, due-diligence and funding agreements, all to ensure that applications were compliant with SEMLEP's Assurance Framework.

Projects were scored out of 5 for each criteria (above) and an average score was identified for each of the objective areas. This provides a score out of 5 for strategic alignment, economic contribution and deliverability for each application, providing a combined score out of 15.

Projects were ranked by their combined score, which forms the basis on which projects have been selected for the LGF 2018 programme.

34 applications were received by SEMLEP, 29 of which were taken forward for a detailed appraisal. Growing Business was the Strategic Economic Plan pillar most relevant to the greatest number of applications, with 10 applicants identifying this as their priority pillar.

Applications by Theme	
Pillar 1: Growing business	10
Pillar 2: Growing people	8
Pillar 3: Growing places	6
Pillar 4: Cross cutting themes	5

Examples of projects funded under this bidding round include:

- Houghton Brook Flood Storage Area - building a flood storage area to mitigate future flooding in Luton, protecting 643 residential and non-residential properties along the Houghton Brook and River Lea.
- K Block Business, Skills and Innovation Centre – a refurbished centre located near the London Luton Airport Enterprise Zone providing business and learning space.
- Intertek EV Powertrain Centre of Excellence – a European Centre of Excellence for high voltage EV propulsion systems.
- YMCA Milton Keynes - combining affordable housing with social enterprises, to provide employment and training opportunities for disadvantaged young people.
- East Northamptonshire Enterprise Centre - a new enterprise centre at Warth Business Park in Raunds, providing 3,430 m2 gross of new, high quality, business floorspace.
- MAHLE "Road to Zero" Vehicle Testing Northampton - an R&D facility to engineer the next generation transport technology.
- Catesby Research and Innovation Centre - the development of a new 1,465 square metre research and innovation centre that enables high-performance technology start-ups and early growth businesses to co-locate next to the Catesby Aerodynamic Research Facility.
- STEM Teaching Block Provision – a new STEM (Science, Technology, Engineering and Maths) centre of excellence hub at the Mark Rutherford School.

Of the 15 projects funded through this round, seven were private sector projects.

2.6 LGF 2019 Bidding Round

In 2019 around £12-13M remained unallocated from the 2018 bidding round, leading to the launch of a further bidding round. This sought to identify projects which could be supported through the LGF programme as well as to generate a pipeline of projects for future funding opportunities to deliver the SEMLEP Local Industrial Strategy.

A similar approach was taken to the 2018 bidding round with two events, one to one sessions and telephone consultations available and a range of online resources to support the pre application process. The funding criteria remained broadly consistent with previous bidding rounds and SEMLEP's 2019 Assurance Framework. SEMLEP set out the following objectives:

- Strategic Alignment: the programme should have a strong focus on the opportunities arising from the published Local Industrial Strategy.
- Need and Economic Contribution: there should be a clear rationale for public intervention and projects should have a measurable impact on the economic success of SEMLEP's communities. This may include the delivery of high-value employment opportunities, building on the region's business strengths, and supporting creativity and skills.
- Deliverability: individual projects should have a strong focus on deliverability and completion in 2021, and the programme will support projects that are fully funded with the LGF contribution and investment-ready.

In addition to the criteria above, State Aid in each bid is RAG rated. To satisfy all due-diligence assessments and be recommended for LGF, projects were expected to score a 4 or 5 across all criteria, plus a Green classification for State Aid.

Pipeline Bidding Round: alongside the Fast Track bidding round outlined above, SEMLEP held a call for pipeline projects which closed in January 2020 and featured a separate assessment process, before the recommendations were presented to SEMLEP's Growth Funds Task Group in April 2020.

The bidding and assessment process for the LGF Fast Track round was a four-stage process: pre-application support; appraisal and prioritisation; due-diligence; and funding agreements.

Appraisal and Prioritisation: SEMLEP received 31 applications. An initial review was complete to ensure that the focus of appraisal resource was targeted on applications that: (i) are eligible for LGF, (ii) could reasonably be expected to satisfy the due-diligence requirements by March 2020, and (iii) were due for completion no later than 2021/22 Q2. 20 projects satisfied this criteria, with the remaining 11 considered as part of the pipeline submissions.

Following a detailed assessment, 5 projects were recommended for LGF; a further 3 were recommended for due-diligence (to mitigate against the risk of 1 of the 5 not satisfying the due-diligence process); the remaining 12 were not recommended to proceed to due-diligence.

Projects recommended for LGF were aligned with pillars from the Local Industrial Strategy:

Applications by Theme	
Pillar: Ideas	2
Pillar: People	2
Pillar: Place	1

Examples of projects funded under this bidding round include:

- Cranfield University Forensic Sciences Institute – relocation of Cranfield's forensic science capabilities and taught programme from Oxfordshire to Bedfordshire to create a world class national centre for forensic science.
- Ilmor Electric Powertrain Test Facility - a new research and development vehicle test chamber, with altitude and climatic simulation capability, unique in the UK.
- Northampton College Digital Academy - a 'digital academy' at Northampton focused on developing and delivering key digital skill programmes to provide a strong pipeline of digitally skilled students able to progress onto Higher Education, Apprenticeships and into work.
- 3C Test HV EMC, Research, Test & Training Facility - the building and fitting out of the UK's largest dedicated Electric Vehicle (EV) Electromagnetic Compatibility (EMC) test chamber together with associated EMC test facilities for EV Batteries and High Voltage drivetrain.
- Centre of Excellence (CoE) for Low-Carbon Automotive Technologies – building of two test rigs suitable for use by OEMs in the design of new electric and lightweight vehicles. As the project scored highly, it was agreed that £2m from the Growing Places Fund would be transferred to the Local Growth Fund pot in order to support the project.

Of the six projects funded, there was a 50:50 split in the number of public and private sector led projects.

As has been demonstrated above, the way the programme has been delivered has evolved significantly over time. In LGF Round 1 for example, the majority of investment went to transport projects and all projects were public sector led. As the programme evolved, there has been a clear shift in line with the changing strategic context with an increasing focus on business, innovation, low carbon and related skills and significantly increased private sector involvement.

Process wise, this has also developed with the introduction of a two-stage process and increasingly significant investment in time to promoting the bidding rounds, supporting projects through the pre application and due diligence process. In comparison to other programmes evaluated by Focus this engagement and appraisal process is considered an example of very good practice and this level of pre application engagement has not been evident or as evident elsewhere.

It is clear the robustness of the appraisal process has led to a strong overall programme with a focus on bringing forward projects that are strategically aligned, deliverable and essentially 'fundable'.

Following the steer at LGF 3 for more private sector involvement, it is clear that SEMLEP took this seriously and this can be seen in the shift from a public sector led programme to a programme with a much more balanced involvement from the public and private sector.

3.0 Programme Performance

Having established the nature of the programme and how it developed and built up over time, this section considers how well the SEMLEP LGF Programme has delivered on its expenditure and output targets.

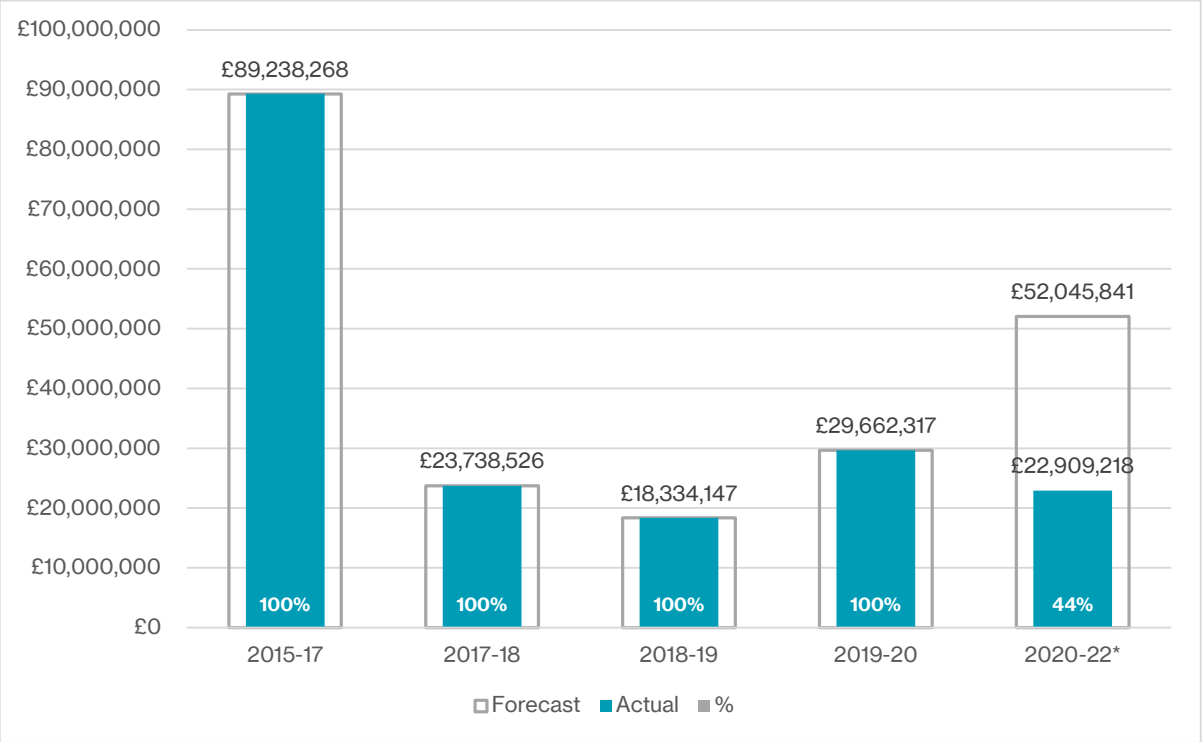
3.1 Overall Programme Expenditure

The total LGF investment awarded to projects in SEMLEP is £265m. Some of this includes funds for Department for Transport retained projects. The table below shows the annual LGF allocation to SEMLEP for projects managed through the LEP. This includes the allocations inherited from NEP at the merger in 2017.

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
LGF Award	£46,200,000	£43,038,268	£23,738,436	£18,334,147	£28,912,343	£49,938,631	**£210,161,825**

In addition to the £210,161,825 of LGF funds, SEMLEP added circa £2m from the Growing Places Fund to the programme budget and therefore the total SEMLEP managed expenditure target is £212,158,925. The actual target expenditure for 2020/21 was therefore £52,045,841. This is shown in the table below. This figure excludes the £28.75m still being held by DFT for the M1 A6 project as a DFT retained scheme.

The chart below shows the profile of LGF allocation and actual spend achieved for the period up to and including Q3 2020/21. This includes funds originally awarded to projects in the Northamptonshire Enterprise Partnership Area and then became the responsibility of SEMLEP upon merger.



**During 2020/21 it was agreed by government that all LGF programmes could have an additional year of delivery in response to the delays experienced by project due to Covid-19; the final 'year' of the programme therefore includes both 2020/21 and 2021/22.*

It is also important to acknowledge that the total LGF Award doesn't include the M1 A6 or most of the A421 projects as they are fully or partly Department of Transport Retained LGF respectively.

The data shows that SEMLEP has achieved 86% of its total LGF expenditure. The remaining 14% covers the remaining outturn left in the programme, including 2021/22.

This shows the exceptional performance of the programme in terms of meeting expenditure forecasts.

A breakdown of expenditure progress by project is included in Appendix 3.

3.2 Detailed Financial Analysis

This section considers where, and for what purposes, the LGF grants have been awarded at both the programme and project level. It considers the split of projects by investment theme and geography.

3.2.1 LGF Grants by Investment Theme

The current approved programme of over 50 projects is delivered under three themes:

- Business – supporting productivity
- People – enhancing skills
- Place – building transport schemes and enabling housing and employment infrastructure.

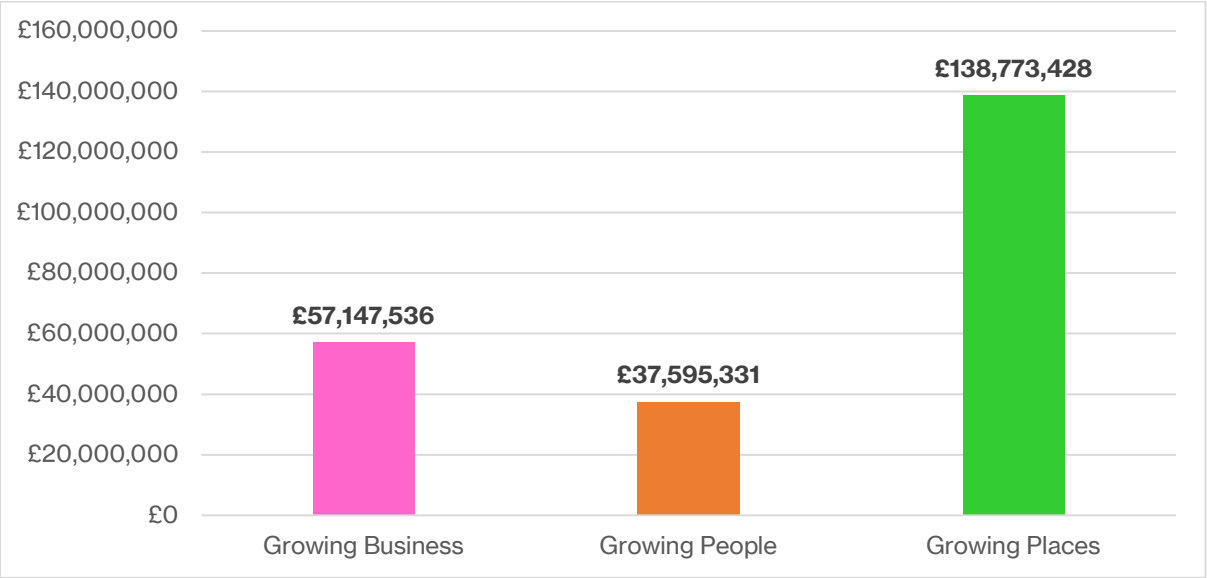
SEMLEP categorises LGF projects by these three investment themes. The table below shows the total LGF budget by theme.

LGF Funding by Theme	
Theme	**Total**
Growing Business	£57,147,536
Growing People	£37,595,331
Growing Places	£138,773,428
	£233,516,295

Source: SEMLEP LGF Q3 2021, March 2021

Notes: Two projects are allocated across two different investment themes: Moulton College Food & Drink (Growing Business and Growing People) and MUEAVI at Cranfield (Growing Business and Growing Places). Where this is the case, the allocation for each project has been equally divided between the relevant themes. The M1 A6 Project has also been excluded from the thematic table.

This data is illustrated in the graph below:



59.4% of SEMLEP's LGF budget is allocated to its Growing Places investment theme, totalling over £138m. The other investment themes – Growing Business and Growing People account for £57.1m and £37.6m respectively. This could be attributed to the fact that the Growing Places investment theme covers several significant infrastructure projects, which are typically the most costly. For example, this theme includes a number of projects which were originally Department for Transport retained schemes. As described above, there has been a shift over time from primarily investment in the Growing Places theme to more investment in the Growing Business theme.

A table showing the breakdown of the LGF grants awarded for each investment theme on a project-by-project basis is included at Appendix 4.

3.3 Geographical Analysis

Reporting data allocates each funded project to a postcode, and this data has been used to further allocate each project to the current local authority area. The investment has been allocated as follows and includes projects inherited from the merger with NEP. The geographical spread of funding has changed over time as projects were approved but then not able to proceed. This allowed other projects to be brought into the programme and the geographical profile changed as a result.

LGF Funding by 2021 Local Authority Area	
Local Authority Area	**Total**
Central Bedfordshire	£95,138,042
West Northamptonshire	£87,684,494
Bedford	£28,769,745
North Northamptonshire	£20,655,000
Milton Keynes	£17,753,014
Luton	£9,216,000
Aylesbury Vale	£3,300,000
	£262,516,295

The grants awarded by local authority area can be seen in the graph below. The graph shows that Central Bedfordshire and West Northamptonshire have been allocated the most LGF, with more than two-thirds (69.6%) of the total LGF allocation committed to these two areas.

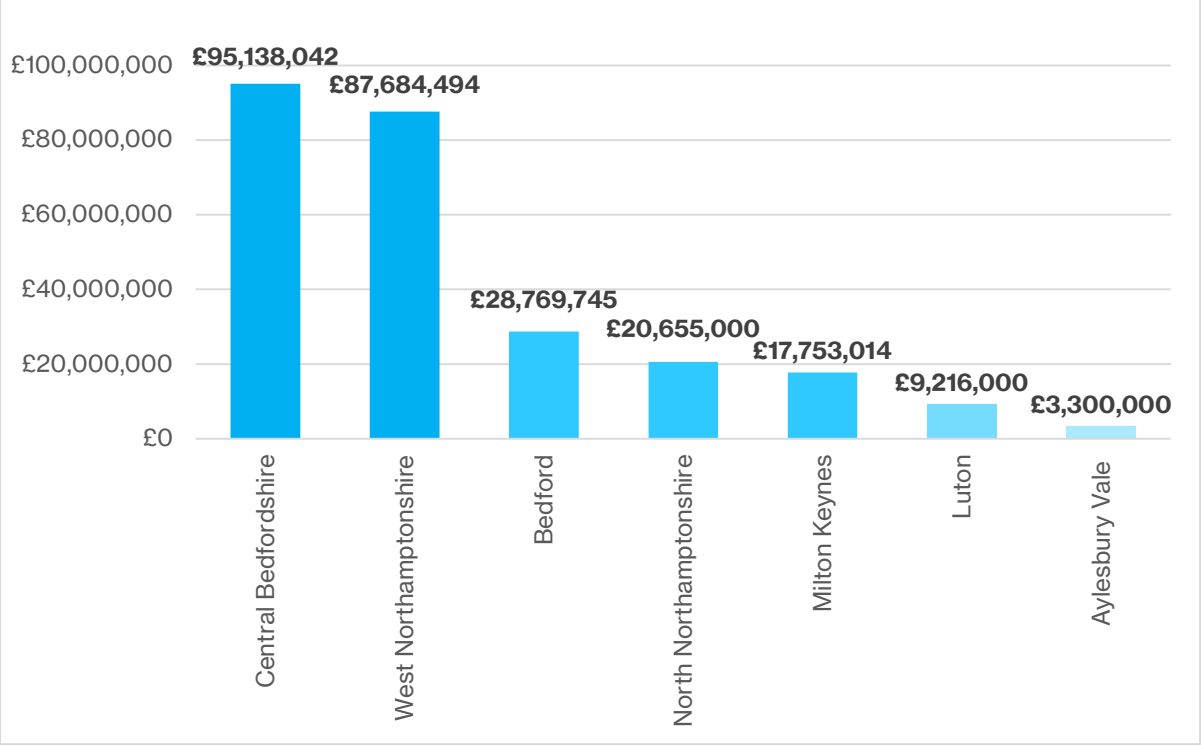
It is also worth acknowledging that from April 2020, Aylesbury Vale District Council no longer formed part of the SEMLEP area, instead becoming part of the new Buckinghamshire Unitary Authority. However, SEMLEP continue to work with Buckinghamshire LEP and the local authority on SEMLEP-funded projects in the area and have already allocated £3.3m to The Exchange Aylesbury project in Buckinghamshire.

Notes to Table and Graph:

The SEMLEP Broadband and NEP Broadband projects received LGF funding but are excluded from the analysis as the projects form part of a wider 'Superfast Central' broadband project managed by Broadband UK (BDUK), the government's delivery arm to achieve a target of 95% of all premises to receive superfast broadband. Therefore this funding was handled differently to the rest of the LGF funds.

Where possible, projects have been allocated to a Local Authority area based on postcode data reported. For clarity and accuracy, the A43 Northampton to Kettering Link Phase 1b project (totalling £7,900,000) that operates across Northampton and Daventry, has been split equally– rounding the allocations to the nearest £1 also causes the SEMLEP total to be rounded higher.

The graph below shows a breakdown of awards by area across SEMLEP.

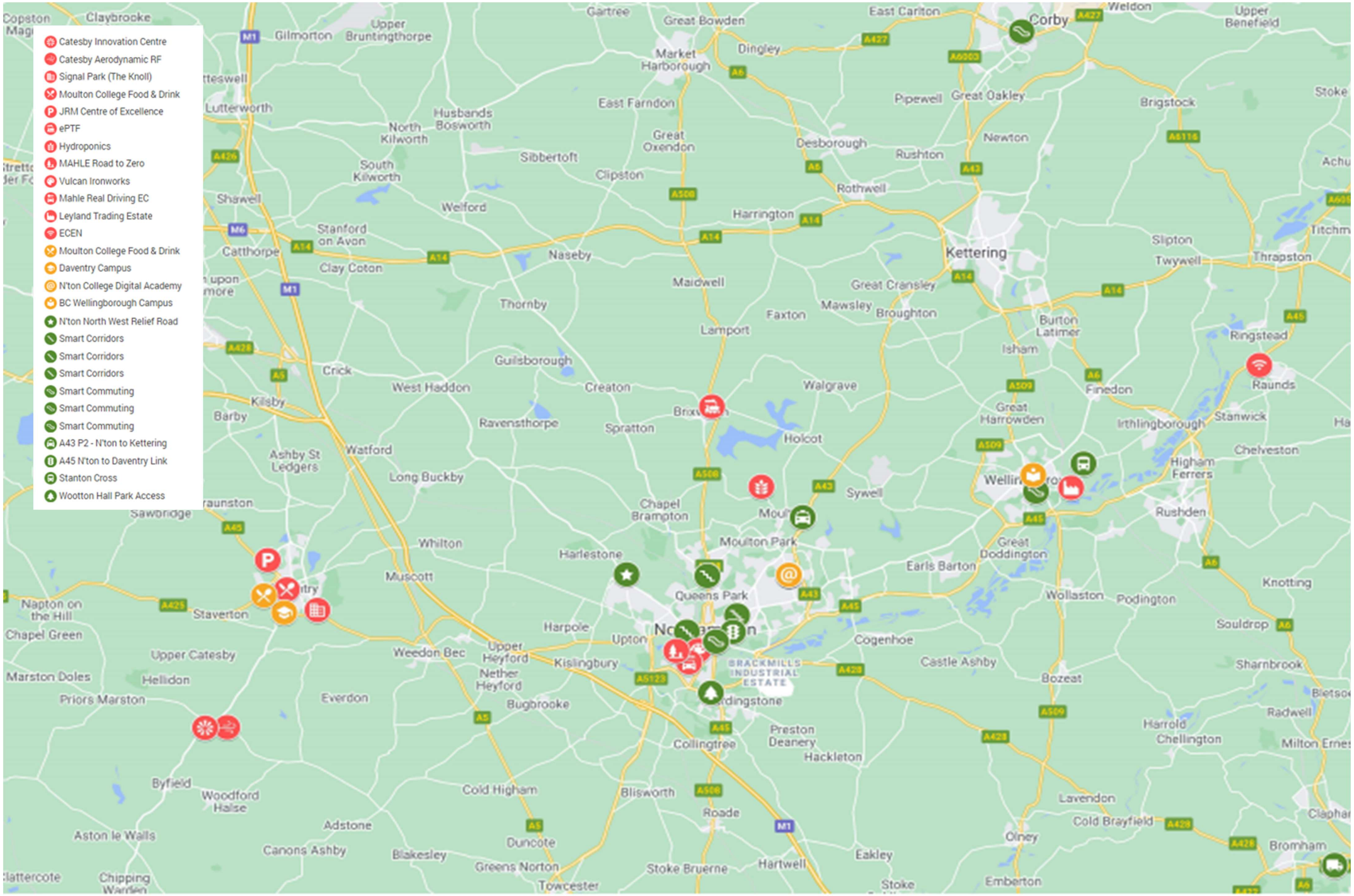


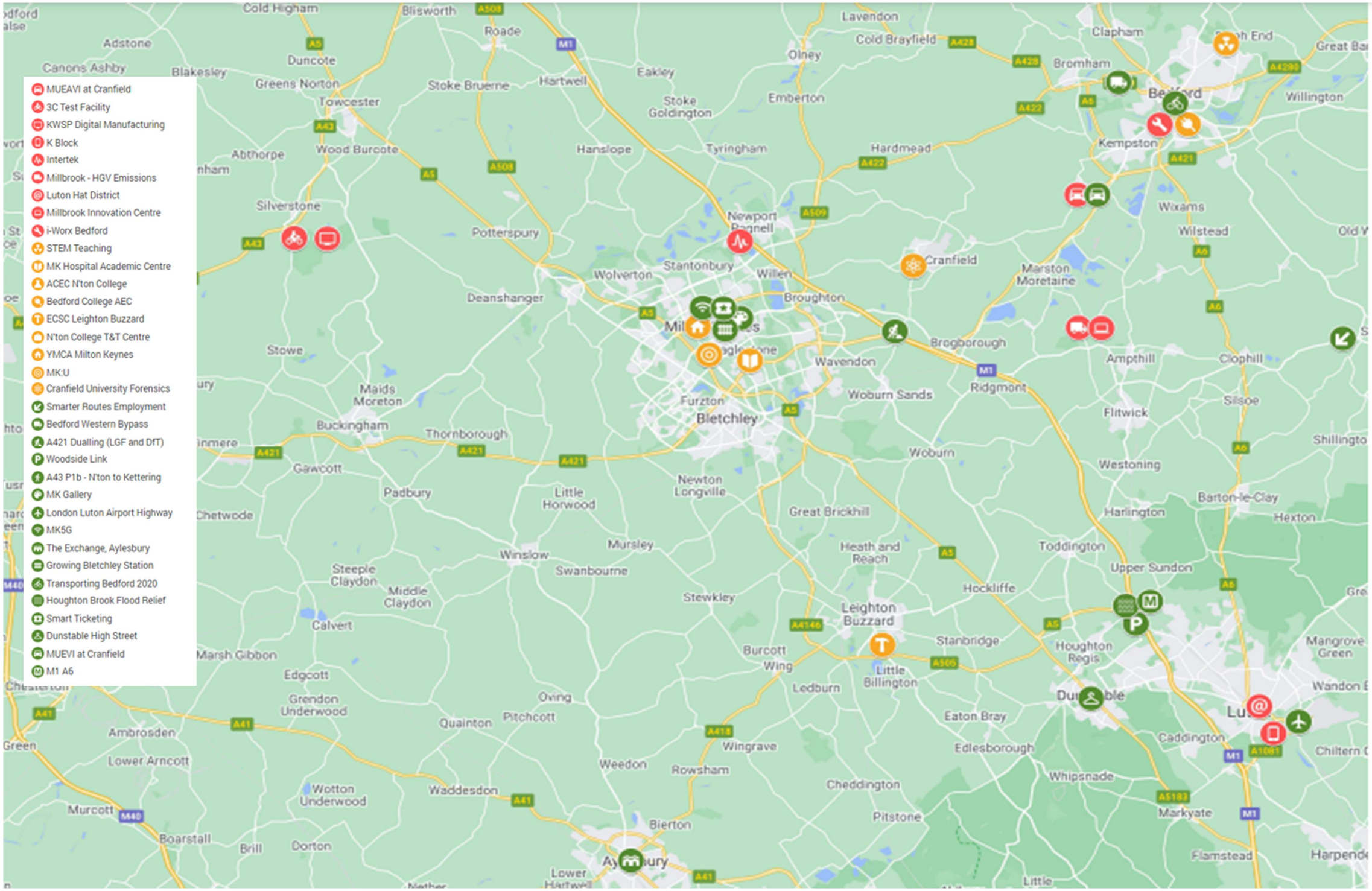
A table showing a detailed breakdown of awards by local authority area across the SEMLEP region is included at Appendix 5.

Map of Local Growth Fund Projects

The map below shows the location of each SEMLEP LGF project using postcode data from the SEMLEP team. For projects with multiple locations, we have illustrated each of these locations, or where this isn't clear, withheld the project from the map. The following projects are geographically widespread and have been left off the map:

- NEP Broadband
- SEMLEP Broadband.


Catesby Innovation Centre
Catesby Aerodynamic RF
Signal Park (The Knoll)
Moulton College Food & Drink
JRM Centre of Excellence
ePTF
Hydroponics
MAHLE Road to Zero
Vulcan Ironworks
Mahle Real Driving EC
Leyland Trading Estate
ECEN
Moulton College Food & Drink
Daventry Campus
N'ton College Digital Academy
BC Wellingborough Campus
N'ton North West Relief Road
Smart Corridors
Smart Corridors
Smart Corridors
Smart Commuting
Smart Commuting
Smart Commuting
A43 P2 - N'ton to Kettering
A45 N'ton to Daventry Link
Stanton Cross
Wootton Hall Park Access
Kettering
Corby
Market Harborough
Daventry
Northampton
Wellingborough
Rushden
Higham Ferrers
Raunds
Towcester


MUEAVI at Cranfield
3C Test Facility
KWSP Digital Manufacturing
K Block
Intertek
Millbrook - HGV Emissions
Luton Hat District
Millbrook Innovation Centre
i-Worx Bedford
STEM Teaching
MK Hospital Academic Centre
ACEC N'ton College
Bedford College AEC
ECSC Leighton Buzzard
N'ton College T&T Centre
YMCA Milton Keynes
MK:U
Cranfield University Forensics
Smarter Routes Employment
Bedford Western Bypass
A421 Dualling (LGF and DfT)
Woodside Link
A43 P1b - N'ton to Kettering
MK Gallery
London Luton Airport Highway
MK5G
The Exchange, Aylesbury
Growing Bletchley Station
Transporting Bedford 2020
Houghton Brook Flood Relief
Smart Ticketing
Dunstable High Street
MUEVI at Cranfield
M1 A6
Cold Higham
Blisworth
Roade
Lavendon
Cold Brayfield
Clapham
Adstone
Duncote
Olney
Bromham
Canons Ashby
Blakesley
Greens Norton
Stoke Bruerne
Hartwell
Eakley
Towcester
Stoke Goldington
Emberton
Willington
Abthorpe
Wood Burcote
Hanslope
Tyringham
Hardmead
Kempston
Silverstone
Potterspury
Newport Pagnell
Wixams
Wilstead
Stantonbury
Wolverton
Willen
Cranfield
Marston Moretaine
Deanshanger
Broughton
Stowe
Brogborough
Ampthill
Clophill
Wavendon
Maids Moreton
Furzton
Bletchley
Woburn Sands
Ridgmont
Buckingham
Thornborough
Flitwick
Silsoe
Woburn
Padbury
Little Horwood
Newton Longville
Great Brickhill
Harlington
Barton-le-Clay
Hexton
Winslow
Mursley
Swanbourne
Heath and Reach
Toddington
Upper Sundon
Steeple Claydon
Middle Claydon
Stewkley
Hockliffe
Leighton Buzzard
Calvert
Stanbridge
Houghton Regis
Mangrove Green
Marsh Gibbon
Burcott
Wing
Little Billington
Ledburn
Edgcott
Grendon Underwood
Oving
Quainton
Pitchcott
Eaton Bray
Caddington
Ambrosden
Wingrave
Edlesborough
Lower Arncott
Weedon
Rowsham
Whipsnade
Wotton Underwood
Waddesdon
Cheddington
Murcott
Pitstone
Markyate
Boarstall
Brill
Dorton
Bierton
Flamstead
Lower Hartwell
Little

Grants Awarded by Local Authority area: Funding Awarded per Head of Population and per Number of Businesses

The previous analysis of spend by local authority area is a useful exercise in establishing where funding has been allocated geographically, but this does not reflect that there are significant differences in the nature, size and population of each area. To account for this, over the following sections, we analyse the area grant awarded by population size and by number of businesses.

For clarity, the NEP and SEMLEP Broadband projects have been excluded, as has The Exchange, Aylesbury which now sits outside the SEMLEP area.

LGF per Head

The data reveals that (after the excluded projects have been taken out of the calculation) Central Bedfordshire (£329.60 per person), West Northamptonshire (£216.48 per person) and Bedford (£166.02 per person) have the highest levels of funding per head than the other areas in the SEMLEP area, with each receiving over £150 of LGF per person.

From the data we can see that the average spend per head in the SEM area was £152.68.

Each round of LGF was allocated according to a detailed assessment process using various prioritisation criteria. The lower spend per head in Luton could be attributed to a lower-than-average rate of applicants compared to other areas in SEMLEP. After Round 1 (which saw 5 applications from projects based in Luton), just 4 applications were received across Round 2, Round 3, the 2018 Bidding Round and 2019 Bidding Round from projects in Luton. In the 2019 Bidding Round, Luton did not submit any projects for appraisal.

LGF Funding by Local Authority Area - Spend per Head			
Area	**LGF Received**	**Population (2019)**	**Spend per Head**
Central Bedfordshire	£95,138,042	288,648	£329.60
West Northamptonshire	£18,960,000	405,050	£216.48
Bedford	£28,769,745	173,292	£166.02
North Northamptonshire	£36,234,000	348,228	£59.31
Milton Keynes	£17,753,014	269,457	£65.88
Luton	£9,216,000	213,052	£43.26
SEMLEP Total	**£259,216,295**	**1,697,727**	**£152.68**

Source: SEMLEP LGF Q3 2021, ONS Population Estimates 2019. Where possible, projects have been allocated to a local authority area based on postcode data reported. Some projects excluded where geographical breakdown is not available.

The lower spend per head in Milton Keynes however can likely be attributed to the fact that whilst there were a good number of applications submitted from Milton Keynes, many failed to meet the minimum selection criteria. Over the course of all of the LGF rounds, SEMLEP received 28 applications from projects in Milton Keynes, including 7 in Round 3 and 5 in the 2019 bidding round, with only the MK:U project successful recommended for LGF subject to due diligence in the latter. It should also be noted that £5m was allocated for the MK College City Centre Campus project which was then withdrawn when the site was no longer available.

Awarded LGF per Business

The table below shows the total grant awarded for each area per number of business. Central Bedfordshire, West Northamptonshire and Bedford have a higher proportionate spend awards per business than the other areas. These areas also benefitted from the highest spend per person.

From the data we can see that the average spend per business in the SEM area was £3,369.07.

LGF Funding by Local Authority Area - Spend per Business			
Area	**LGF Received**	**Nr of Businesses**	**Spend per Business**
Central Bedfordshire	£95,138,042	12,360	£7,697.25
West Northamptonshire	£87,684,494	19,735	£4,443.10
Bedford	£28,769,745	7,205	£3,993.02
Milton Keynes	£17,753,014	12,895	£1,376.74
Luton	£9,216,000	7,410	£1,243.72
North Northamptonshire	£20,655,000	17,335	£1,191.52
SEMLEP Total	**£259,216,295**	**76,940**	**£3,369.07**

Source: SEMLEP LGF Q3 2021, UK Business: Activity, Size and Location 2020. Where possible, projects have been allocated to a local authority area based on postcode data reported. Some projects excluded where geographical breakdown is not available.

3.4 Public/ Private Sector Analysis

We can also analyse spend by delivery partner recipient, in particular how much LGF was allocated to the public and private sectors respectively. Below we analyse the grant awarded by both recipient and by theme.

Public Sector, Private Sector and Not-for-Profit

The table below divides the total LGF allocation into public sector, private sector and Not-for-Profit recipients at a programme level. The data shows that 59% of the allocated LGF spend is to public sector delivery partners. Following the Government approach to classification of public expenditure, Local Authorities were defined as public sector, with Further and Higher Education Institutes defined as private. Charities like YMCA, Luton Culture Trust and MK Gallery were classified as Not-For-Profit.

LGF Funding by Recipient - Public and Private Sector		
Sector	**Total**	**%**
Public	£137,468,428	59%
Private	£90,019,665	39%
Not-For-Profit	£6,028,202	3%
	£233,516,295	

We can also reflect the programme level LGF allocation at public and private sector by theme, illustrated in the table below. The table shows that nearly all (98%) of the allocated LGF spend under the Growing People theme is to private sector delivery partners (which includes Higher and Further Education partners), whilst 93% of the spend under the Growing Places theme is to public sector delivery partners. The majority (69%) of LGF allocated under the Growing Business theme is also to private sector delivery partners. The programme allocated funding to one Not-For-Profit project in each theme.

LGF Funding by Recipient - Public and Private Sector by Theme							
Theme	**Public Sector Total**	**%**	**Private Sector Total**	**%**	**NFP Total**	**%**	**Total**
Growing Business	£10,495,000	18%	£42,691,536	75%	£3,961,000	7%	£57,147,536
Growing People	£0	0%	£36,828,129	98%	£767,202	2%	£37,595,331
Growing Places	£126,973,428	91%	£10,500,000	8%	£1,300,000	22%	£138,773,428
	£137,468,428	**59%**	**£90,019,665**	**39%**	**£6,028,202**	**3%**	**£233,516,295**

It is also important to remember that the M1 A6, NEP Broadband and SEMLEP Broadband projects are excluded from the table.

3.5 Match Funding Analysis

The table below shows the LGF grants awarded by theme and the match funding anticipated to be levered in by the end of the programme.

Each theme has been ranked in terms of the total match funding that will be generated for every £1 of LGF invested by the end of the programme. We can see that projects classified under the Growing Places and Growing People themes are expected to generate the lowest level of match (or have the highest LGF intervention rate), whilst Growing Business projects are generating the most match funding. For every £1 of LGF invested in Growing Business projects there is expected to be £1.93 spent in match funding by the end of the programme.

The average intervention rate across all themes for the LGF fund is 40% - i.e., for every £1 of LGF spend, a further £1.50 of match funding will be spent to deliver the projects by the end of the programme. It will be important to update this analysis at after the end of the programme to see whether this match funding has been achieved.

Match Funding Assessment by Theme				
Project	**Total LGF Awarded**	**Match Funding**	**Intervention Rate - LGF/(LGF+Match)**	**£1 of LGF brings £x Match**
Growing Business Total	£57,147,536	£110,344,964	34%	£1.93
Growing People Total	£37,595,331	£53,838,560	41%	£1.43
Growing Places Total	£138,773,428	£186,070,197	43%	£1.34
Total	**£233,516,295**	**£350,253,721**	**40%**	**£1.50**

Notes: Two projects are allocated to two different investment themes: Moulton College Food & Drink (Growing Business and Growing People) and MUEAVI at Cranfield (Growing Business and Growing Places). Where this is the case, the allocation and spend for each project has been equally divided between the relevant themes. The M1 A6 project has also been excluded as it is retained by DfT.

Match funding analysis at a project level is included at Appendix 6.

3.6 Output Analysis and Value for Money Assessment

This section analyses the key outputs that projects are contracted to deliver, those outputs that have been achieved and those that are forecasted to be achieved in the future.

The most up to date data has been used where possible, with outputs achieved to date accounting for those achieved by the end of Q3 2021. The forecasts used also reflect the most up to date estimation of anticipated outputs to be achieved by 2030.

Programme Level Outputs

The table below summarises the key outputs achieved to date across the programme against the overall target and shows levels of achievement as a percentage. Forecasts show outputs anticipated to be achieved by 2030 as per those reported at the end of Q3 2020/21.

Programme Level Outputs - Key Outputs			
Output	**Achieved to Date**	**Expected to be Achieved by 2030**	**%**
Jobs	**5,529**	**21,016**	**26.3%**
Housing Units Completed	**4,692**	**39,676**	**11.8%**
Number of New Learners Assisted (in courses leading to a full qualification)	**5,523**	**8,989**	**61.4%**
Commercial Floorspace (sqm)	170,679	183,377	93.1%
Area of new Skills Floorspace (sqm)	14,477	14,097	102.7%
Apprentices	484	1,363	35.5%
Businesses Created	17	117	14.5%
Length of Road (km)	4.1	7.1	57.7%
Employment Land (ha)	10.1	30.8	32.8%

A table detailing outputs achieved to date as of Q3 2020/21, and cumulative outputs forecast to be achieved by 2025 at a project level is included at Appendix 7.

Costs per Outputs – Value for Money

An analysis of the outputs forecast to be achieved by the end of the programme has been undertaken to determine value for money on a "cost per output" basis, focusing on the core LGF outputs of jobs, homes and learners.

By looking at the projects contracted to deliver these core outputs and comparing the LGF funding awarded with the total forecast outputs, the average cost per output has been calculated based on the LGF grant element alone. This does not take account of the match funding element as the government allows all outputs to be attributed to the LGF programme.

- Based on all projects, the average cost per job across the whole programme (assuming that targets are reached) will be £9,347.
- Based only on projects that are contracted to enabling housing, the average LGF grant per new house will be £3,594 (assuming that targets are reached).
- Based only on projects that were contracted to deliver new learners we can see that the average cost per new learner will be £4,681 (assuming that targets are reached).

It should be noted that these calculations are based on forecast outputs and a number of projects are significantly over achieving, particularly in term of numbers of learners and therefore the cost per output will likely reduce. It is also important to acknowledge that there has been a lack of clarity from government on some output definitions such as the counting of direct and indirect jobs. Therefore, it is difficult and unhelpful to compare projects directly as projects are delivering a mix of direct and indirect outputs. However, analysis of the LGF 'cost per output' across the programme as a whole provides some useful programme level benchmarks.

In 2013, Regeneris, as ex-ante evaluators, were appointed by the Department of Communities and Local Government to research the unit cost of a number of key economic outputs. This work involved analysing data from 1,185 previous projects from across the English regions. This analysis suggested that the median figure of £26,000 gross cost per job is used as the starting point for any quantification. However, the unit costs would typically be considerably above these figures for capital intensive projects (linked to transport or property development for instance).

It has not been possible to source benchmark data for new learners and new houses but evaluations of other LGF programme undertaken by Focus have identified the average cost per new house as being between £3,800 and £6,000 and the average cost per new learner as between around £1,500 and £3,000.

Overall, against these core LGF outputs it is considered that the SEMLEP programme represents excellent value for money. The wider outcomes and impact of these outputs is reviewed at section 5.0.

4.0 Programme Management

Having looked at the performance of the programme in terms of expenditure and outputs, this section considers how the programme has been managed. A key finding of the evaluation is that the overall management of the programme by SEMLEP is considered a significant strength. The analysis of the management of the programme is drawn from consultation with staff, Board Members, stakeholders and projects as well as an analysis of processes by the evaluation team. It is clear that there are robust but efficient and transparent processes in place with a sense that everyone is responsible and accountable which has accounted for the success of the programme.

4.1 Project Selection

A strong application, appraisal and due diligence process has been developed and evolved throughout the programme, particularly since the LEP had more control over project selection and management of the programme from around early 2017. This process has been driven by SEMLEP wanting to be in a position to have the best programme for the area with the best possible projects. It is clear there has been a push to be as inclusive as possible to identify and fund the best projects for the area. Significant effort has been put into promoting bidding rounds. Particularly maximising private sector networks and this is reflected in the evolution of the bidding process and outcomes as set out at section 2. Consultation with projects identified that 57% of applicants accessed information from website during the application process, 46% attended a workshop and 36% received one to one support.

Whilst at first the projects funded reflected the Government's priorities, with a strong focus on transport due to much of the LGF budget coming from the Department for Transport, as the programme progressed and SEMLEP had more control over how the money was spent, there was a shift more towards private sector applicants and the themes of innovation and green economy/ low carbon and related skills development. This was reflective of the nature of the SEMLEP economy and correspondingly the changing strategic context from the Strategic Economic Plan to the Local Industrial Strategy and Economic Recovery Strategy.

From 2016 SEMLEP introduced a 2-stage bidding process which also helped to diversify the nature of applicants and projects as applications could be submitted without a significant time/resource commitment in the first instance which was particularly attractive to some private sector applicants. The publishing of the assessment framework was also important as it helped projects to understand what was needed and "what good looks like".

From the start of the LGF programme, external support has been procured to support the application, appraisal and due diligence process. The SEMLEP team have worked closely with the external support to deliver a supportive robust process on the basis that they consider it important to put resource into this early stage to ensure that once funded, there is a strong programme of quality, deliverable projects. "*Good strong applications are much more likely to lead to good projects*".

Projects are challenged and supported through this process and it is considered that this is a key factor in the success of the programme as the robustness of the due diligence process helps to ensure only strong, deliverable projects get taken forward and sifts out projects which are likely to have major barriers to delivery. This is reflected by the fact that only four projects have been 'lost' from the approved programme. Based on Focus's experience of other LGF programmes, this is a very low number. However, it was reported that SEMLEP are perceived as not scared of making difficult decisions in terms of losing projects from the programme and when this has happened, they have responded quickly to identify new projects and ensure annual spend targets are achieved. SEMLEP have also seen projects being lost as an opportunity to bring new projects into the programme that strongly align with their current economic strategies.

"The support from SEMLEP and their partners during due diligence was excellent. The SEMLEP representatives were very knowledgeable and helpful while remaining independent throughout the process".

"Timely feedback and access to consultants and SEMLEP staff was given to develop application and support due diligence activities".

"Very supportive especially in the early days of my engagement when we needed more support".

"SEMLEP have established a robust and objective application and evaluation process which is clearly explained from the outset".

"It was challenging! But good too. I'm glad to see the rigour being applied".

"It was a lengthy detailed process - but has ended in a fabulous outcome for the City/Region".

The use of external support is seen positively and is considered a genuine commitment to providing appropriate capacity to a robust process. There is a sense that Hatch Regeneris, who have supported the 2018 and 2019 bidding rounds, have understood what SEMLEP were trying to achieve but would also challenge and question in a critical friend role as appropriate. The addition of financial due diligence for private sector applicants further strengthened this process and is important in terms of managing risk.

"Hatch Regeneris were very supportive and helpful".

"I found the process very intense and extremely thorough".

"Attending the briefings and reading the website materials was a solid base. The process however was very structured and we went through a series of clarifications/responses. The reasons were communicated well and therefore the process was well understood and followed effectively".

"We have experienced very few issues with the management or support of our project, the levels of due diligence were appropriate to ensure we felt the investment was being made carefully but not too much that it was overly onerous".

The project selection process aims to achieve a balanced programme, with a project level assessment alongside a review of what the shortlist projects would look like as a programme. It is clear that early engagement with projects has helped to achieve a balanced programme through supporting and encouraging different kinds of projects which will achieve the desired spread of priorities.

"The suite of projects showed great diversity and covered a range of 'challenges which can be 'learned from' to maximise value from the fund".

Much has been done to encourage and support private sector applications following a steer from Government on this during LGF3, and the success of this approach in SEMLEP is reflected in the breakdown of projects. SEMLEP have been particularly successful in securing private sector involvement in the programme and whilst this may have created challenges and concerns, it was reported that SEMLEP have been very proactive in terms of creating an additional layer of assurance to provide confidence in providing public sector funds to the private sector.

It was reported that there were some challenges at times in terms of the alignment of public sector requirements and private sector expectations with some private sector organisations feeling it was overall a very onerous and slow process. It is inevitable that such processes will lead to some frustrations amongst applicants, although this is not specific to the SEM LGF Programme.

"The application form did not take account of the standard means of procuring and funding a private sector development scheme where such scheme was to be traded onto an investor post development".

"At the time it seemed onerous, but having recently gone through a process by another body now recognise the SEMLEP approach as efficient and robust".

"The application seemed to be drafted on the assumption that it would be completed by an applicant with some familiarity of the process i.e., probably someone who worked in local government or similar".

"Without some guidance from third parties we would have been unlikely to create a satisfactory submission. For us as a private company the application pro forma contained concepts (e.g. additionality, deadweight, BCR) that were new to us and it took some time to properly understand their meaning and importance".

"If the LEPs wish to support more private sector development then the application approach needs to take account of the market's way of doing things and to better advertise the availability of grant funding to the market".

"The application assumed a working familiarity with the extensive government reports which had to be consulted in order to complete the application e.g. The government green book, local industrial strategy, etc. it would have been helpful if all of these were in one place".

"It slightly feels as though the applications have to be rushed to meet sudden deadlines, then it takes ages for a decision to come back!"

4.2 Programme Management

It is very clear that the SEM LGF Programme has very much been managed as a programme rather than a series of projects. There is a clear steer from senior staff that LGF could only be successfully delivered if a programme management approach is taken as it is inevitable that projects will face challenges at different times and this can be managed across the programme of projects. The success of this is reflected in SEMLEP not having to use freedoms and flexibilities until 2020/21 which was in response to the Covid-19 pandemic. There is a strong sense of pride in this achievement and how SEMLEP is viewed as a very high performing LEP. It is clear the Board and staff have been very keen to retain this both in terms of maintaining the strong reputation of SEMLEP as an organisation and to maximise the area's position for future funding opportunities.

This programme management ethos has been distilled to projects. Projects that completed the online questionnaire were asked "How strongly do you agree with the statement that "the Local Growth Fund is managed as a programme rather than a series of projects." Of those that responded, over 85% stated that they agreed or strongly agreed.

Projects were also asked, "on a scale of 1-5 how well do you rate the overall programme management of the LGF programme? 5 being very high, 1 being very low". Of those that answered, 100% gave a rating of either 4 or 5.

There is a sense amongst many of the people consulted with as part of this evaluation that there is an accepted joint responsibility between SEMLEP and the projects to successfully deliver the programme in order to bring maximum benefit to the region and to attract future funding. This approach is supported through the Programme Management Board which brings projects together on a quarterly basis to discuss progress and risks and share how risks have been managed elsewhere. For SEMLEP, it was important for projects to understand the importance of sharing information that will support overall programme delivery and that there is benefit for all in doing so. Overall, the Programme Management Board is perceived well by projects. Whilst some projects felt that the meetings were not always hugely helpful or relevant to them, it was recognised that, *"these meetings are most useful when things are difficult and there is a forum to discuss the issues, we're facing with others potentially facing similar challenges"*

"The board meetings have been useful networking and a great way to get an understanding of work going on elsewhere in the region that I might not otherwise be aware of as it does not directly relate to my work area. It has also helped with thinking in broader regional terms about my area of work".

"The Programme Management Board meetings have been very valuable indeed. Key benefits include: opportunities for a valuable inter-face with other project managers which in turn enables intelligence, delivery experiences and challenges to be shared and, importantly, the cross-fertilisation of ideas. It is also gives one a sense that others are facing similar challenges. It is difficult to quantify the value of this forum but in my humble view it is very valuable".

It was noted by some that the Programme Management Board meetings have become particularly useful towards the end of the programme as more project are completed are practical linkages between projects can be made.

As described above, the programme has performed well in terms of achieving spend and this is something the Board has been committed to maintaining. It is also recognised within the organisation that in order to achieve this, there is a need to provide appropriate programme management resources. This has meant the Programmes Team has grown and developed as the LGF programme progressed and grew. At first there was resistance from the Board to any top slicing of funds for programme management as the Board wanted to see funds maximised for projects. However, as the programme and number of projects grew, there was an agreement to top slice 0.5% of LGF funds.

The team responsible for the LGF Programme consists of the Director of Programmes and Governance, two Programme Contracts Manager and a Programme Officer. The team has very good relationships with projects and very much see themselves as part of the project team to help manage risk and support delivery. The team reported working particularly hard to ensure they developed good relationships with projects that moved from NEP to SEMLEP upon merger of the organisations.

"The SEMLEP LGF team is very supportive and approachable. As a result, they create trust in talking openly about project challenges."

"Very supportive and professional. We have established [and continue to enjoy] a good working relationship with the SEMLEP Team and we would have no hesitation in talking openly with the Team about any challenges faced by this or indeed any other project or initiative. It is a working relationship built on collaboration, trust and transparency."

"The team have been excellent and I have been able to have very frank sessions with my lead contact with a view to problem solving. It's been very valuable especially as this was my first time as lead delivering under a LEP funding arrangement."

The team have opportunities to get involved at all stages from the initial call for projects through the appraisal and due diligence process and this is seen positively as it provides an opportunity to start developing relationships with projects prior to moving into the delivery stage.
An important element of the programme management approach is encouraging projects to be open about risks and challenges so SEMLEP can offer support. The Programmes Team has regular contact with project through the implementation of a risk-based contact plan which results in contact on a 1, 2 or 3 week basis or every 6 weeks if the project is complete and the team is just monitoring outputs.

Through the online questionnaire, projects were asked "do you think that the relationship with the LGF Programme team at SEMLEP has helped or is helping you to deliver the project?" Of the people that answered this question, 90% said yes.

"The team have been very helpful.... (they) are always available and willing to provide guidance and productive suggestions on possible courses of actions. They have a can do attitude and realistic stance on ways to achieve outcomes."

"Team are stead-fast in monitoring and evaluating outputs while having a can do attitude in identifying a workable way forward for any issues."

"Well managed with great advice and communication from the team. There is clearly a great deal of experience to draw on and we welcomed advice and guidance throughout as a two-way conversation."

"The LGF Programme Team at SEMLEP has been extremely supportive throughout the whole process from application throughout the delivery stages of the project."

"The team have been very supportive throughout, particularly when milestones slipped throughout the construction and with the impact of covid on the project. We have always felt able to talk openly and honestly about the project."

The focus of the team and in particular the Programme Contract Managers is to work with projects to support delivery and manage risk. The programme is seen as a partnership and this is reflected in the fact that each successful applicant is referred to as a delivery partner. The team get actively involved in supporting project communications, attending events and ensuring up to date information about projects is included on the SEMLEP website. This is seen very positively by projects.

"The team at SEMLEP have been excellent, in particular with the difficulties in face to face communication during COVID restrictions, but we have always felt support and collaborative in our objective".

"The SEMLEP team are very helpful and always available for advice. They take an interest in all projects from start to completion and are keen to hear about any challenges at an early stage; and will help to resolve issues".

One consultee identified that because a lot of commitment has gone into programme management, this has at times, potentially been at the expense of developing a pipeline of projects. "*Perhaps at times there has been a trade-off between managing the existing programme of projects and having a strong pipeline".*

"The SEMLEP team have been excellent. They have provided support and ideas at every stage of the project and have helped resolve a number of issues/challenges we have faced. We have Teams calls every two weeks so that we can keep each other updated with progress and I feel I can discuss any issue with them very openly."

"Very supportive and professional. We have established [and continue to enjoy] a good working relationship with the SEMLEP Team and we would have no hesitation in talking openly with the Team about any challenges faced by this or indeed any other project or initiative. It is a working relationship built on collaboration, trust and transparency."

As part of the programme management approach, evaluation is embedded from the start with each project expected to produce an evaluation plan then produce two evaluation reports – one immediately at the end of the project to reflect lessons learnt during delivery and another one looking at impacts 12-18 months after practical completion. This is more robust than Focus have seen elsewhere in other LGF programmes. We have not seen this consistent requirement to prepare an evaluation plan at the start of the project from other programmes.

Another important element of SEMLEP's programme management approach is the milestone payment model which in our experience is fairly unique and allows project progress to be managed alongside the payment process rather than paying on invoices. This ensures there is a focus on delivery and projects are clear what they are progressing towards in order to release a payment. Projects were positive about the milestone payment approach. This is considered another example of good practice and comes with an element of trust between projects, SEMLEP and the Accountable Body which SEMLEP has worked hard to put in place through relationship management.

"I much prefer the milestone payments approach; it is much easier to understand and focused discussions on progress to reaching each milestone."

4.3 Culture

It is clear there is a strong commitment to openness and transparency amongst the Board and staff at SEMLEP. This is reflected in the robustness of the assurance framework which is taken seriously and adhered to and is also reflected in the level of information made publicly available on the SEMLEP website *"every decision needs to stand up to internal and external scrutiny"*. This has caused some frustrations amongst some projects however who have felt there has been limited flexibility in approach to decision making which has impacted on project delivery.

One stakeholder reported that the governance arrangements in SEMLEP are much stronger than in other LEPs. The independence of SEMLEP is seen as a strength with no one dominant political entity as can be seen in other LEPs. Independence means SEMLEP is not a promotor of projects and therefore can focus on encouraging and supporting other organisations to bring forward projects that will help the region.

There is a commitment to working closely with projects and communicating regularly at all stages from application through to due diligence, contracting, delivery and monitoring and helping good projects to succeed. SEMLEP is excellent at building and developing relationships and this fundamental to their risk management approach. In line with Government requirements in 2016 there was the introduction of the two-stage application process which helped to identify good projects initially and then support them through a robust due diligence process.

"The team have been very supportive throughout, particularly when milestones slipped throughout the construction and with the impact of covid on the project. We have always felt able to talk openly and honestly about the project".

"They are very invested in and good at developing relationships and this is very helpful in managing the programme. They are a pleasure to work with."

SEMLEP provides opportunities for staff to develop, gain new skills and take on new responsibilities. As discussed, staff have the opportunity to get involved in all stages of the programme – partly facilitated by having a small team but also reflective of having one team responsible for the whole programme management process. Programme staff attend Growth Fund Tasks Group meetings allowing the team to understand where their work ends up and why they are doing it. One member of staff stated that whilst SEMLEP have had a very good experience of working with Hatch Regeneris on application, appraisal and due diligence, they also want to upskill staff to give them the opportunity to get involved in this process. One member of staff told us that staff are treated well and fairly and that this is reflected in the relationships with projects who are also afforded the same respect and are valued as partners.

"I couldn't have wished for better support from SEMLEP."

"The SEMLEP team have been thorough, consistent and friendly throughout the project. Understanding any challenges and being positive about seeing the project progress."

There is a strong but clearly independent relationship between SEMLEP and Luton Borough Council as Accountable Body on the basis of a Service Level Agreement. Luton Borough Council is heavily involved in governance through Board representation and the Council meets with representatives of SEMLEP's Programme's Team on a weekly basis. Both organisations talk about mutual accountability and responsibility which allows the processes to work and the programme to operate effectively and efficiently.

The relationship with Government is also strong and SEMLEP are considered a very strong performing LEP. Stakeholders reported that SEMLEP have a strong role in the LEP Network and are recognised as an example of best practice in programme management. One example given was the role of members of the SEMLEP team in driving improvement in the quality of output information for programmes across the LEP Network.

5.0 Programme Outcomes and Impact

This section seeks to understand whether the programme has reached its desired outcomes in the SEM area. It is worth noting that at the time of writing, many projects are not complete and some delivery and outputs have been delayed because of the Covid-19 pandemic. Therefore, this section considers actual and projected outcomes. It draws on the findings from an online questionnaire with projects and more detailed consultation with six selected projects plus the findings from completed evaluation reports.

A number of projects were identified for a 'deeper dive' to understand the outcomes and impacts of a number of individual investments. These projects were:

- Catesby Aerodynamic Research Facility
- Enterprise Centre East Northants
- Northampton College ACE
- Luton Hat District
- Transporting Bedford 2020
- MK5G.

The case studies are included at Appendix 8.

This section also looks at the key outcomes/outputs that have either been achieved, or are forecast to be achieved through the LGF programme, and calculates their potential wider economic benefits for the SEM economy. The calculations consider multipliers, adjust for the leakage of the benefits outside of the SEM area and apply displacement and deadweight factors.

5.1 Outcomes

The evaluation has identified the main outcomes of the programme have been or are anticipated to be. The outcomes are clearly linked to the aspirations of the Local Industrial Strategy particularly in relation to enabling ideas and inventions to be tested, enhanced, commercialised, investing in the area's advanced engineering excellence, innovative skills provision particularly in digital skills and the commitment to clean growth. The main outcomes are set out below in line with the themes of the Local Industrial Strategy:

Ideas

- Stimulating markets and acting as a catalyst for further investment
- Developing new technologies through Research and Development
- Further building the knowledge cluster and world leading research facilities
- Enhanced reputation of the area for innovation and embracing new technology.

People

- Addressing skills gaps and developing skills needed by local industry including digital skills
- Improving employability and creating new employment opportunities and reducing the number of residents commuting out of the area for employment.

Infrastructure
- Enhanced digital infrastructure
- Positioning the region to maximise the opportunities of investments such as East-West Rail.

Business Environment
- Raising the profile and ambition of the area through investment
- Attracting businesses to the region to undertake Research and Development
- New businesses started and supported to grow.

Places
- Development of new products and processes helping to meet climate change requirements
- Improved connectivity with improved sustainable transport options and reduced travel delays
- Improved town centre environments.

The Places theme of the Local Industrial Strategy includes a commitment to clean, energy efficient and sustainable communities. In terms of environmental sustainability, outcomes of the programme, these have included:

- The development of technologies and processes, particularly in transport and advanced engineering but also agriculture to reduce environmental impact of key industries for the area.
- An increasing focus on investing in projects which contribute to the region's transition to net zero carbon including R&D and testing of Electric Vehicles and other low-carbon Automotive Technologies and vertical farming.
- Investment in 5G infrastructure in Milton Keynes which will result in applications which will accelerate mass uptake of low-carbon energy solutions by the wider population and capture more detailed data relating to energy usage to prioritise energy saving measures to implement in residential, commercial or industrial buildings, such that energy reduction is optimised.
- The LGF programme has also made investments which have led to improved sustainable transport options with improved conditions for walking/cycling and encouraging the use of and making it easier to travel on public transport.

The programme has also delivered outcomes around sustainable communities. These have included:

- Supported social mobility through education and training provision with a focus on the skills needed by local companies.
- Created employment opportunities and access to good quality food during the pandemic for vulnerable groups through the YMCA Milton Keynes project.
- Trained 80 new doctors through the Academic Centre MK Hospital project resulting in 80 additional doctors working in local wards during the Coronavirus pandemic.
- Funded a project with a school which was designed to see if funding a school has an academic impact. Whilst it's too early to say what the impact has been, funding such a project demonstrates innovation in the use of funding to achieve diverse outcomes.
- Investment in 5G infrastructure in Milton Keynes resulting in trialling of applications focused on health and wellbeing such as supporting access to efficient healthcare services and testing new methods of diagnosis.

- Funded investment which resulted in residential and non-residential properties being protected from future flooding, delivering huge social and economic benefits for property owners and occupants.

Additional Outcomes

Some unexpected outcomes reported by projects have included attracting additional funding off the back of the investment from the LGF Programme. For example, Luton Hat District has secured an extra £7m as a result of LGF and Milton Keynes 5G recently attracted a £2m grant from the Department for Digital, Culture Media and Sport to develop some use cases around mobility to test autonomous connected vehicle in MK which wouldn't have happened without the LGF investment in the infrastructure. Other projects such as the Bedford Western Bypass reported higher than expected housing investment from the private sector as a result of unlocking land for development and being able to allocated additional sites for housing in the Local Plan.

Projects also reported wider benefits from working with SEMLEP such as making connections between projects to look at additional commercial and collaborative opportunities. This included for example the Milton Keynes 5G project linking with the Cranfield University Forensic Sciences Institute to look at the use of the 5G network for cyber security research. In addition, Northampton College stated that have been able to develop relationships with local businesses that they didn't previously have, as a result of introductions and connections made by SEMLEP.

5.2 Economic Impact

This section aims to quantify the potential wider economic impacts of the LGF funded projects on the SEM economy. This considers the wider ripple effects of expenditure by new residents and the GVA of employees in new commercial workspace constructed through the programme and the lifetime benefits for learners for example.

The study takes the key outputs that have either been achieved or are forecast to be achieved through the LGF programme, and calculates their potential wider economic benefits utilising published benchmark data. The calculations consider multipliers, adjust for the leakage of the benefits outside of the SEM area and apply displacement and deadweight factors. The calculations undertaken consider the potential economic impact of:

- New homes built
- New jobs created
- New learners supported
- Additional commercial floorspace
- New apprenticeships created through the projects
- Impact of R&D.

Note, this is only a high-level economic impact so this study focusses on understanding the impacts of the key outputs. A more detailed study would be needed to fully capture the whole impact of the individual projects.

The detailed economic analysis calculations and assumptions are set out at Appendix 9. These include multiplier effects as well as a consideration of what would have happen anyway without the grant intervention, the impacts that have displaced impacts elsewhere in the SEM area and the proportion of impacts that are delivered within the SEM area but the benefit is felt outside the area.

The key findings are:

Estimated economic benefits achieved in the SEM area by the end of 2020, as a result of LGF Investment:

- **Additional Spend in the Local Economy in the SEM area by New Households:** circa £25m per annum.
- **Jobs GVA:** an additional £173m increase in GVA per annum.
- **Learners Economic Benefits:** 5,523 learners have been trained/are in training to date. When they have completed their training, it is estimated that as a result of increased wages /income, there could be an additional £5.9m spending locally per annum.
- **Commercial Floorspace:** to date the LGF investment has created sufficient floorspace to accommodate circa 3,500 employees.
- **Apprentices:** 484 apprentices have started their training to date. When they have completed their apprenticeships, it is estimated that they will have the potential to increase productivity by £3.8m for the SEM economy per annum.
- **Research and Development:** £5m of private sector R&D.

Potential economic benefits to be achieved in the SEM area by 2030 as a result of LGF the Investment and inclusive of the impacts above:

- **Additional Spend in the Local Economy in the SEM area by New Households:** potential circa £186m per annum.
- **Jobs GVA:** a potential additional £656m increase in GVA per annum.
- **Learners Economic Benefits:** 8,989 learners will have been trained/be in training by 2030. When they have completed their training, it is estimated that as a result of increased wages/income, there could be an additional circa £8.5m spending locally per annum.
- **Commercial Floorspace:** by 2030, the LGF investment is forecast to have created sufficient floorspace to accommodate nearly 4,000 employees.
- **Apprentices:** By 2030, 1363 apprentices are forecast to have started their training. When they have completed their apprenticeships, it is estimated that they will have the potential to increase productivity by around £9.5m for the SEMLEP economy per annum.
- **Research and Development:** £26m of private sector R&D.

5.3 Return on Investment

The findings of the economic impact assessment can be considered in relation to Return on Investment, i.e., considering the total economic impact of the investment rather than direct outputs alone. Below we have estimated return on investment to date, and by the end of the programme. We have calculated the return on investment over a 10-year period into the future using the following calculation:

Return on Investment = (Total Economic Impact - LGF Investment) / LGF Investment)

Return on Investment of SEMLEP LGF		
Additional Spend per annum	**Achieved to Date**	**Forecast to Achieve by 2030**
Additional spend by new households	£25,083,432	£185,594,409
Potential additional GVA as a result of new jobs	£172,590,600	£656,017,700
Additional spend from new learners	£5,905,162	£8,543,146
Potential additional productivity from new apprentices	£3,833,280	£9,499,565
Economic Impact per annum x 10 Years (Discounted over 10 years at 3.5%)	**£1,713,983,234**	**£7,103,883,003**
Private sector R&D	£5,333,928	£26,687,911
Total	**£1,719,317,162**	**£7,130,570,914**
LGF Investment	£191,399,167	£266,266,295
ROI per £1 of investment	**£8.98**	**£26.78**
Notes: LGF Investment comprises the £233m of LGF Awarded, plus £33m for the M1 A6 project. Data regarding the M1 A6 project spend to date is unavailable as the project is retained by DfT. For the purposes of calculating a Return on Investment, we have assumed that 0% of the LGF investment in the M1 A6 project has been spent to date, as the project is yet to achieve any outputs. We have assumed that £33m will be spent by 2030.		

Based on the calculations undertaken as part of this evaluation, this suggests a Return on Investment currently of nearly £9 for every £1 of LGF investment to date and this could increase to a Return on Investment of nearly £27 for every £1 of LGF investment by 2030, once all outputs have been achieved and all the match funding has been spent and over a period of 10 years.

This takes account of the total economic impacts including ripple effects in the economy as set out at Appendix 9. It also assumes that all outputs reported by projects are attributable to the LGF programme, no assumptions have been made in terms of the potential for double counting of outputs by other funders.

6.0 Key Findings and Recommendations

6.1 Summary

Key findings of the evaluation are as follows:

- The way the programme has developed and the nature of projects being delivered is reflective of the changing strategic context. As the programme evolved, there has been a clear shift in line with the Local Industrial Strategy with an increasing focus on business, innovation, low carbon and related skills and significantly increased private sector involvement.

- Process wise, this has also developed with increasingly significant investment in time to promoting the bidding rounds, supporting projects through the pre application and due diligence process.

- The engagement and appraisal processes are considered an example of very good practice. It is clear the robustness of the appraisal process has led to a strong overall programme with a focus on bringing forward projects that are strategically aligned, deliverable and essentially 'fundable'.

- Programme management is overwhelmingly seen as extremely strong and an example of best practice. Relationship building and beginning to end involvement is exemplary and considered a key contributor to the success of the programme.

- The SEM LGF programme has demonstrated exceptional performance in terms of meeting expenditure forecasts and as demonstrated by the LEP not needing to use freedoms and flexibilities until 2020/21 due to the impact of Covid-19.

- There has been a very successful drive for more private sector involvement and this can be seen in the shift from entirely public sector led programme to a programme with a much more balanced public/private sector split with around 39% of the total funding being awarded to private sector delivery partners.

- 98% of the allocated LGF spend under the Growing People theme is to private sector delivery partners, whilst 91% of the spend under the Growing Places theme is to public sector delivery partners. The majority (75%) of LGF allocated under the Growing Business theme is to private sector delivery partners. The programme allocated funding to one Not-For-Profit project in each theme.

- The outcomes of the programme are clearly linked to the aspirations of the Local Industrial Strategy particularly in relation to enabling ideas and inventions to be tested, enhanced, commercialised, investment in the area's advanced engineering excellence, innovative skills provision particularly in digital skills and the commitment to clean growth.

- Based on the economic impact analysis undertaken, the return on investment for the SEM economy is currently estimated at circa £9 for every £1 of LGF investment and this could increase to a Return on Investment of around £27 for every £1 of LGF investment by 2030, once all outputs have been achieved and over a period of 10 years. This takes account of wider impacts from additional spend from new households and the additional spending power of learners for example.

- The average intervention rate across all themes for the LGF fund is 40% - i.e., for every £1 of LGF spend, a further £1.50 of match funding will be spent on the project by the end of the programme. Projects classified under the Growing Places and Growing People themes are expected to generate the lowest level of match whilst Growing Business projects are generating the most match funding. For every £1 of LGF invested in Growing Business projects there is expected to be £1.93 of match funding spend by the end of the programme.

- The average intervention rate for projects with private sector recipients is 39% - i.e., for every £1 of LGF spend, a further £1.57 of match funding will be spent in the local economy by the end of the programme. The average intervention rate for projects with public sector recipients is 44% (with every £1 of LGF spend resulting in £1.25 of match funding). The average intervention rate across the 3 Not-For-Profit projects is 14%, with every £1 of LGF returning £6.02.

- The average spend per head of LGF, across the SEM area is £152.68 and the average spend per business in the SEM area is £3,369.07.

- There has been an uneven geographical spread with Central Bedfordshire and West Northamptonshire being allocated the most LGF. More than two-thirds (69.6%) of the total LGF allocation has been committed to these two areas.

6.2 Lesson Learnt

Overall, the findings of the evaluation have been very positive with few 'lessons learnt' identified in terms of future operation/improvement. It is clear the programme has developed and has a strong team and robust assurance in place which has meant any lessons learnt have been addressed throughout the period of the programme – including for example the enhanced level of support and advice introduced during the calls for projects, the introduction of additional financial due diligence for private sector applicants and revisions to the approach to State Aid. A small number of suggestions were made or identified which could inform future programmes and these are set out below:

- In some ways the programme is quite innovative as the nature of projects that SEMLEP have wanted to fund are typically harder to demonstrate the tangible outputs required from the programme in terms of jobs, learners and houses. SEMLEP have developed their appraisal process to take account of this to identify and demonstrate economic impact. There is an opportunity in the future, if funding was available to further develop SEMLEP's vision to support projects which perhaps have less traditional hard economic outputs but align with the Board's aspirations for the area.

- It is clear that net zero carbon is a strong driver for SEMLEP and there may be ways to build this into the application and appraisal process so that the contribution of achieving net zero carbon becomes more of a gateway criterion. Again, this would align with the Green Book update where there is increasing focus on the Net Zero commitment.

- Whilst resource intensive, there is great value in having a pipeline of projects with strong strategic fit, which achieve the desired outcomes with reasonable confidence in delivery, meaning funding opportunities can be responded to quickly. This approached helped SEMLEP to develop a strong programme of projects for the Getting Building Fund and avoids being in a position of having to focus on deliverability alone. Continuing to have a pipeline would also afford more time to allow Board judgement to be more robustly built into the processes. However, we understand that with the LEP Review and direction of capital funding going away from LEPs that this may not be worthwhile at this stage.

- As indicated above, the programme management is a key strength of the programme. Projects feel supported and, in the majority, do feel like that are part of a programme for the SEM area. The milestones payment approach is well received and the risk-based contact plan strong relationship management. Some projects did suggest that there are too many meetings but the flexibility of the contact plan approach perhaps means the frequency of meetings can be adjusted as necessary whilst continuing to manage risk.

The Future

A number of recommendations and suggestions for the future have been identified through the evaluation. These are listed in priority order below.

1. It is clear that there is a huge amount of experience, expertise and recognised good practice in the programme management approaches applied to the LGF programme which could and should be utilised to manage similar investment programmes. This could include for example a role in independently managing investment in the Oxford-Cambridge Arc and supporting Local Authorities in the management of Levelling Up Fund investment and the delivery of Town Investment Plans. As recognised through the consultation, this provides an opportunity for SEMLEP to generate income to support core cost and future programmes.

2. To maximise impact, it is considered that any future funding should come with flexibility for LEPs to develop and deliver a programme that is specific to and meeting the needs/ opportunities of their area – an approach which has proved successful for SEMLEP. For the SEM area, future funding clearly needs to align with the Economic Recovery Strategy with a focus on economic recovery and growth through innovation and commercialisation and green recovery and growth and particularly in the context of being the core of the Oxford-Cambridge Arc.

3. Future funding opportunities should consider geographical spread and targeted approaches to ensure that funding reaches and targets the greatest priorities in the region. This will help to address the uneven geographical spread seen in the LGF programme and ensure areas that have received a low proportion of funding such as Luton are able to access future funds to address the greatest priorities in these areas. A targeted approach by SEMLEP to increase private sector applications has been very successful and a similar geographically focused approach is recommended for the future.

4. It was also suggested that future programmes should focus more on productivity measures rather than job creation metrics alone. Productivity effects will typically lead to higher wages, rather than higher employment and increasing productivity underpins the SEM Local Industrial Strategy. Productivity is widely recognised as being challenging to measure but there may be an opportunity to develop the consideration of productivity effects into the appraisal process, aligning with the Green Book update that states productivity effects should be included in the calculation of UK costs and benefits where they can be objectively demonstrated.

5. The fact that each project needs to produce an evaluation plan and evaluation reports is considered a strength. Potentially, more could be done to review the evaluation plans periodically to ensure appropriate baseline information is being collected and ensure opportunities to gather evidence is not being lost. It is recognised that many projects will find this difficult to resource and SEMLEP may wish to consider an evaluation panel who can work with projects – not to evaluate directly but to be involved in the project contracting and inception process to advise and support on how to undertaken evaluation, ensuring appropriate baseline and data is collected and to be a source of support and guidance as projects are delivered. This will provide robust information to support future programme evaluations.

6. Projects supported through the LGF are delivering wider social and environmental benefits and these are not necessarily getting captured and reported formally as this is not required by Government. Although it is recognised that projects are encouraged to collect and report information on wider impacts. For future funding programmes, SEMLEP could consider the development of an evaluation framework which emphasises the importance of evaluating social and environmental impacts as well as economic impact with ideas and suggestions of how these can be evaluated. Again, this could be supported with external advice and guidance to provide additional resource.

7. The strong private sector involvement in the programme is a success which can be built upon. If the structure of the LEP allows, there may be opportunities for the LEP to consider profit share arrangements with suitable projects which could generate funds to support programme management and investment in projects.

8. There was some concern raised regarding the amount of funding going into companies that have been successful in securing more than one grant. Whilst it is recognised that assurance processes are strong, this point should be considered in the future to ensure a range of different businesses are aware of funding opportunities. This would build on the excellent private sector engagement work already undertaken by SEMLEP.

9. Linked to this, there is an opportunity to respond to the findings of the Equality Diversity & Inclusion research and activity commissioned by SEMLEP to maximise inclusion across the region and ensuring people who haven't engaged previously are aware of the opportunities and supported to apply where there is alignment with SEMLEP priorities. This could include making actions to promote inclusive growth is a gateway criterion and using a strong EDI evidence base to set specific targets for future funding rounds or programmes which focus resources on action that will support inclusive growth. In this way SEMLEP could essentially commission projects which targets funds, informed by EDI evidence.

10. SEMLEP introduced a two-stage application process which has meant it is easier for applicants to make an application without huge amounts of resource. One suggestion identified through the consultation was whether there was an opportunity for a very simple initial process that would help organisations quickly eliminate themselves or decide to pursue further discussion by answering some simple questions. *"There's a technology project here. Build an app that helps applicants decide whether or not they should apply".*

Appendix 1

Project Summaries

Project Name: National Hydroponics Demonstrator and Skills Centre
Delivery Partner: Growpura Limited
Description: Growpura Limited is developing a commercial scale vertical hydroponics demonstrator facility incorporating new and innovative techniques that will complement training capability and product development capability for companies in the region and for application worldwide. The new facility will be based at Colworth Park in Bedfordshire and will partner with SE Midlands college providers for apprenticeship provision as well as creating 73 new jobs by 2025
Total Project Cost: £4.5m
LGF Awarded: £22.5m
Outputs: 73 new direct jobs, 130 new apprenticeships and 65 businesses assisted by 2030
Status: Project approved by the SEMLEP board to complete by March 2022

Project Name: 3C Test EV EMC, Research, Test & Training Facility
Delivery Partner: 3C Test Ltd
Description: The project will involve the building and fitting out of the UK's largest dedicated Electric vehicle (EV) Electromagnetic Compatibility (EMC) test chamber together with associated EMC test facilities for EV Batteries and High Voltage drivetrain. The facility will also be equipped with the UK's largest vibration R&D and test facility for EV batteries at Silverstone Park. Included in the project is a dedicated learning environment with training provided by a number of industry and academic institutions.
Total Project Cost: £4.515717M
LGF Awarded: £2.013M
Outputs: 28 new direct jobs, 8 apprenticeships, 40 businesses directly assisted, 200m^2 new learning floorspace developed
Status: Project to complete by July 2021

Project Name: MK:U – Educational Acceleration in Digital Skills
Delivery Partner: Cranfield University with MK:U
Description: Enabling MK:U to pilot four courses to 500 students, 3 years ahead of the proposed opening of its permanent site in central Milton Keynes. The objectives and key activities of this project will be to acquire and reconfigure the building required to enable the accelerated launch of the MK:U Accelerator in 2021. All 4 courses will be designed and validated for delivery from September 2021.
Total Project Cost: £4.713M
LGF Awarded: £2.213M
Outputs: 800 learners over 3 years to 2024 and 18 direct jobs
Status: Due to complete July 2021 and courses to begin from September 2021

Project Name: Electric Powertrain Test Facility (ePTF) – Foundations for Growth
Delivery Partner: Ilmor Engineering Ltd
Description: The project will create an Electric Vehicle (EV) powertrain technical centre in Brixworth, Northamptonshire, to satisfy the future demand for electric transport. This will be achieved by installing an energy management and storage system to increase power capacity on the Ilmor site, enabling growth of facilities in green propulsion technologies and the first research and development cell for hybrid or fully electric powertrain systems.
Total Project Cost: £1.620327M
LGF Awarded: £0.810M
Outputs: 2 new direct jobs, 37 people assisted with learning, reduction of 100.89 tonnes of CO2 per year
Status: Project to complete by May 2021

Project Name: Cranfield Forensic Institute, Cranfield University
Delivery Partner: Cranfield University
Description: Cranfield University are relocating their forensic science capabilities and taught programme from Oxfordshire to Bedfordshire to create a world class national centre for forensic science. There are three critical elements to the new facilities and learning: scenes of crime investigation; digital investigation; and non-destructive forensic analysis. It aims to help address key shortfalls in the national provision of forensic science and has the following objectives: • Enhance research and development to address a critical national shortfall • Increase numbers of students • Increase numbers of continuing professional development students • Provide greater support to the criminal justice system • Foster the development and commercial acceleration of local forensic businesses • Assist Police, the Government, policymakers and the general public by enhancing the application of science to fighting crime
Total Project Cost: £7.3m (Capital Spend)
LGF Awarded: £3.641m
Outputs: 170 additional learners assisted into work, 22 direct jobs, 27 new short courses, and a minimum of 500 Sqm of new learning floor space
Status: Due to open to students from October 2020

Project Name: MAHLE Powertrain – road to zero vehicle testing facility
Delivery Partner: MAHLE Powertrain Ltd
Description: This project will provide an R&D facility to engineer the next generation transport technology, central to the government's Road to Zero strategy, with the development of a new test chamber at MAHLE Powertrain in Northampton.
Total Project Cost: £5.1m
LGF Awarded: £1.5m
Outputs: 12 new jobs, £10.1m GVA, 390,000 tonnes reduction in CO2
Status: Due to complete October 2021 and be fully commissioned January 2022

Project Name: Northampton College Digital Skills Academy
Delivery Partner: Northampton College
Description: This Northampton College led project will provide a 'digital academy' at Northampton College's Booth Lane campus, housed in a purpose-built 1,300 sqm new block. The new facility will focus on developing and delivering key digital skill programmes (levels 1-3 and T-Levels) to provide a strong pipeline of digitally skilled students able to progress onto HE, Apprenticeships and into work. The college will engage with the Digital Institute of Technology at Bletchley Park at Milton Keynes and employer partners to develop a new digital curriculum.
Total Project Cost: £6.308M
LGF Awarded: £3.154M
Outputs: 1300m^2 new learning floor space, 12 new direct jobs, 5185 additional learners by 2025/30
Status: Due to complete May 2021 and open to students in September 2021

Project Name: Dunstable High Street Regeneration Phase 2 Improvements
Delivery Partner: Central Bedfordshire Council
Description: Once fully completed this scheme will complete a transformation of the High Street environment within the centre of Dunstable by widening and decluttering footways, improving the street scene and wayfinding (phase 2) as well as reallocating the carriageway and installing an extensive system of sustainable urban drainage (phase 3). The result will be to de-prioritise car movements in favour of pedestrians, cyclists and users of public transport services as well as creating a more attractive and vibrant High Street for residents, visitors and businesses.
Total Project Cost: £5.26m
LGF Awarded: £2.5m
Outputs: 81 new direct jobs, 80 new homes, 89% occupancy rate, £18.7m GVA impact over 5 years
Status: Project approved by the SEMLEP board for 19/20 and 20/21 delivery of phase 2 elements. Project due to be completed by June 2021

Project Name: Houghton Brook Flood Storage Area
Delivery Partner: Environment Agency
Description: This project will build a flood storage area to mitigate future flooding in Luton, protecting 643 residential and non-residential properties along the Houghton Brook and River Lea, infrastructure and access routes in Luton (A6 and the Luton-Dunstable Busway).
Total Project Cost: £5.7m
LGF Awarded: £1m
Outputs: GVA impact of £53.43m over the next 10 years through flood mitigation impact. £35 million in economic benefits associated with the reduction in flood risk for 643 residential and commercial properties.
Status: Project completed February 2021

Project Name: MK:5G
Delivery Partner: Milton Keynes Council
Description: The MK:5G project is an exciting new testbed in the **Milton Keynes area**, including the deployment of dedicated 5G infrastructure and the creation of a data hub facility. The 5G mobile network is designed exclusively for research and development purposes and will cover central MK including key sites (such as the Stadium, Bletchley & CMK rail stations, Hospital, Universities), key junctions on the M1 and a number of rural communities. The testbed will focus on trialling applications across three core themes: Mobility, Health & Wellbeing, and Energy. Several trials are already planned across each theme and extensive datasets will be stored in the data hub.
Total Project Cost: £8.7m
LGF Awarded: £5.3m
Outputs: 45 new direct jobs, 200 indirect jobs, 200 SMEs supported, evaluation and monitoring report on the whole project, Base stations, radio masts, data hub servers and associated components installed.
Status: Project completed March 2021

Project Name: Signal Park
Delivery Partner: Claymore Phoenix (Knoll) Ltd
Description: this project will see the development of a 6.2-acre derelict site located within central Daventry, to create around 56,000 sq ft of new industrial and warehouse space in 15 units ranging between 2 and 8,000 sq ft in size. This new scheme will help to address the shortage of modern industrial stock and expansion space in Daventry and the surrounding area. The project will comprise the first industrial development of this kind in the area since 2012. It aims to create 112 direct jobs, another 49 indirect jobs and to achieve a GVA of £28.8 million.
Total Project Cost: £8.9M
LGF Awarded: £3.2M
Outputs: 4645m^2 new industrial and warehouse floor space, 2.496 ha employment land enabled, 112 new jobs, 49 indirect jobs, GVA of £28.8 million
Status: Due to complete December 2021

Project Name: K-Block, Business, Skills and Innovation Centre

Delivery Partner: London Luton Airport Limited (LLAL)
Description: The K-Block Business, Skills and Innovation Centre is located near the growing London Luton Airport Enterprise Zone and will provide almost 1,700m^2 of business floor space and nearly 1,000m^2 of learning space. It is targeting specific business sectors focusing on high-performance technology and manufacturing which includes supporting the AI and data driven economy and the automotive and aviation sector. The training and skills element of the building will integrate with and add value to the business elements. It will provide a focus for learning in both technical and social skills, and for the interchange of ideas, knowledge and experience within a mutually supportive environment, making a significant contribution towards increasing the employability of local people. On completion, the vast majority of the businesses currently located in Hart House will relocate to K Block to provide an anchor and a source of experience and knowledge for new businesses occupying the additional space created.
Total Project Cost: £6.2m
LGF Awarded: £3.055m
Outputs: 1,688m^2 Office & Industrial Space, 998m^2 Learning space, 192 Jobs, 84 Indirect Jobs, 75 Jobs Safeguarded
Status: Due to complete by March 2022

Project Name: KW Special Projects Digital Manufacturing Centre
Delivery Partner: KW Special Projects
Description: This project, led by high-performance engineering consultancy KW Special Projects, will create a new 1,657 sqm Digital Manufacturing Centre at Silverstone Park. The centre will act as a technology innovation hub, providing on-site access to digital manufacturing facilities including a range of additive manufacturing technologies while also allowing SMEs to access knowledge and advice by encouraging an eco-system in digital manufacturing. High-quality incubation and manufacturing space suitable for high-performance technology start-ups are also benefits of the new facility. The innovation centre is expected to help develop new and high-value engineering opportunities and assist over 100 SMEs, while also forecast to contribute £9 million gross value added to the region.
Total Project Cost: £6.9m
LGF Awarded: £3,142,534
Outputs: 2 direct jobs, 47 indirect jobs, 20 new Apprenticeships, 115 businesses assisted, 1657m^2 new industrial floorspace
Status: Due to complete May 2021

Project Name: Smart Ticketing Milton Keynes

Delivery Partner: Milton Keynes Council
Description: This project will provide the equipment and back-office systems necessary for smart 'Oyster'-style ticketing in Milton Keynes, simplifying bus travel, transforming the customer experience and ensuring a high-quality, affordable passenger transport system for all. The funding will facilitate a range of retail options for users and developers to encompass wider mobility solutions such as rail travel, cycle hire, taxis and car parking, enabling an integrated system of travel payment within the City. The project will support the provision of Smart Ticketing throughout the SEMLEP region through collaborative arrangements within and beyond the Oxford-Milton Keynes-Cambridge corridor local authorities.
Total Project Cost: £1.42m
LGF Awarded: £840,000
Outputs: Improvements in Bus Patronage and Growth in the use of the Active Card usage
Status: Due to complete May 2021

Project Name: STEM Teaching Block Provision, Mark Rutherford School, Bedford
Delivery Partner: Mark Rutherford School, Bedford
Description: The new STEM (Science, Technology, Engineering and Maths) centre of excellence hub at the Mark Rutherford School, Bedford will provide an additional 983m^2 of learning space comprising of seven classrooms and a lecture theatre. It will inspire young people in Bedfordshire to pursue STEM subjects and grow the next generation of engineers, scientists and technologists.
Total Project Cost: £2m
LGF Awarded: £1.269m
Outputs: 983m^2 learning space, seven classrooms, lecture hall, three jobs, 9,303 people into training and 1,736 people into work
Status: Completed January 2021

Project Name: YMCA Milton Keynes
Delivery Partner: YMCA MK
Description: This project combines affordable housing with social enterprises, providing employment and training opportunities for some of the most disadvantaged young people in our community. A café, nursery and meeting and conference facilities will provide a sustainable income stream, provide a range of training and employment options and contribute towards the regeneration of Central Milton Keynes.
Total Project Cost: £18.9m
LGF Awarded: £0.767m
Outputs: 296m^2 Commercial Space, 204m^2 Education space, 199 Homes, 3 Businesses, 380 people assisted into work, 13 Jobs and 6 Jobs safe-guarded
Status: Completed April 2020

Project Name: Intertek European Electric Vehicle Propulsion Testing Centre of Excellence

Delivery Partner: Intertek
Description: This project will deliver a Milton Keynes based European Centre of Excellence for high voltage EV propulsion systems. This will significantly enhance Intertek's offering to customers in the automotive sector and place Intertek at the forefront of the industry for electric vehicle (EV) powertrain testing capabilities. The new investment and capabilities will encompass motors, inverters, axle modules and complete electric vehicle testing. Specific new capabilities will include ten EV powertrain test cells, a complete four-wheel drive full vehicle climatic test chamber, electric axle module test rigs, three state-of-the-art eMotor dyno rigs operating at speeds up to 27,000rpm, and several specialist e-machine development rigs.
Total Project Cost: £9.6m
LGF Awarded: £3.829m
Outputs: 3,018m^2 Office & Industrial Space, 60m^2 learning Space, 14 Jobs, 20 Indirect Jobs, 18 Student Placement, Work Experience & Apprentices
Status: Due to complete July 2021

Project Name: Northampton College Advanced Engineering Centre
Delivery Partner: Northampton College
Description: This is a state-of-the-art facility at the Northampton College Booth Lane Campus, which supports learners to develop the skills needed for the most up-to-date construction and engineering technologies.
Total Project Cost: £4.9 million
LGF Awarded: £2.25 million
Outputs: 659 additional new learners by 2025/26
Status: Officially opened September 2019

Project Name: Millbrook - Variable Temperature Emissions Chamber for HGVs
Delivery Partner: Millbrook
Description: This brand new vehicle emissions test facility will be capable of handling vehicles (up to 60 tonnes of inertia) and 4WD vehicles. The facility will be climatically controlled from -30°C to +50°C and used primarily to test buses, trucks and off-highway vehicles for emissions, fuel and lubricant performance and climatic performance. It is also designed to test electric vehicles to determine energy consumption, range and energy efficiency and to test vehicles using alternative fuels such as hydrogen, LNG and CNG for range, emissions and fuel consumption over a drive cycle.
Total Project Cost: £9.5m
LGF Awarded: £2.4m
Outputs: This project will enable over 5 jobs and 745m^2 commercial floorspace by 2020, as well as a £12.6m GVA increase by 2022
Status: Project completed Autumn 2020.

Project Name: Northampton College Construction Test and Training Centre

Delivery Partner: Northampton College
Description: This Northampton College led project involved the refurbishment of an existing building, next to its new Advanced Construction and Engineering Centre, to set up and equip an independent Test and Training Centre, focussing on the needs of employers in the construction sector. The Centre includes an AM2 Assessment Centre (Electrical) alongside associated training rooms, providing the specialist and independent facilities required for Electrical Apprentices to undertake their End Point Assessments for the new Apprenticeship Standards in Northamptonshire. The Training Centre also runs assessments and training programmes allowing people to obtain their CSCS cards, now required by all staff wishing to access and work on construction sites.
Total Project Cost: £1.65M
LGF Awarded: £0.35M
Outputs: 185 Apprentices taking End Point Assessments, delivery of 184 training courses for employers, 769m^2 floor space developed
Status: Completed February 2020

Project Name: Northampton North West Relief Road
Delivery Partner: Northamptonshire County Council
Description: The Northampton North-West Relief Road will link the A428 Harlestone Road with the A5199 Welford Road and serve the housing growth that is proposed to the west and north of Northampton. It will also help address existing congestion, particularly in Kingsthorpe, by providing another crossing of the river valley.
Total Project Cost: £35.1million
LGF Awarded: £7.93million
Outputs: The project will enable 6600 new homes and 3393 new jobs
Status: Project approved February 2020 subject to planning

Project Name: Millbrook Innovation Centre
Delivery Partner: Millbrook
Description: Developing the capacity for vehicle testing, this project creates work space to test heavy goods vehicles and extend the market for the Millbrook facilities. The building meets the needs of businesses that require research and development space, together with access to high-quality automotive testing and development facilities to support their projects move from initial research to prototype and testing.
Total Project Cost: £4.2m
LGF Awarded: £3.8m
Outputs: 54 new jobs
Status: Phase one: Opened Summer 2017 | Phase Two: Opened Summer 2018

Project Name: Enterprise Centre: East Northants (ECEN)

Delivery Partner: East Northamptonshire Council
Description: This new enterprise centre at Warth Business Park in Raunds, Northants, provides 3,430 m^2 gross of new, high quality, business floorspace, incorporating 2,510 m^2 office/studio managed workspace in a range of units, from 1-person (10 m^2) to 10+-people (100 m^2). The units are modern, flexible and run on an 'easy in, easy out' basis, which will be critical for nurturing start-ups and business growth. The centre provides management, reception, meeting and networking spaces, and other facilities including superfast broadband. In addition to providing a base for high-value start-up and growth of businesses, ECEN provides a platform for all local businesses to increase productivity through support and networking opportunities.
Total Project Cost: £7.6m
LGF Awarded: £1.695m
Outputs: 2510m^2 office space, 173 new jobs, 50 new start-up businesses
Status: Completed June 2020

Project Name: Wellingborough Campus Renewal Project
Delivery Partner: Bedford College Group
Description: This project will see substantial works to the Tresham College tower block in Wellingborough (part of the Bedford College Group), refurbishment of other on-site buildings as well as improvements to the college access.
Total Project Cost: £11.2million
LGF Awarded: £7.5million (and £1.2million additional funds)
Outputs: 1066 additional new learners per annum by 2021/22
Status: Opened September 2020

Project Name: Engineering and Construction Skills Centre
Delivery Partner: Central Bedfordshire College
Description: The new state of the art skills and technology training centre in Chartmoor Road, Leighton Buzzard, is open for students. The centre has been supported by employers and the curriculum being delivered there, is driven by the skills needs across the area in line with local and regional jobs. Local schools have joined in partnership with the centre to create improved learning pathways and options for local young people.
Total Project Cost: £4.7m
LGF Awarded: £2.5m
Outputs: 20 new jobs and 360 additional new learners by 2020/21
Status: Project completed July 2017

Project Name: Leyland Trading Estate

Delivery Partner: Northern Trust Company Limited UK
Description: Northern Trust Company Ltd. UK have developed an SME industrial workspace area on the established Leyland Trading Estate in Wellingborough supporting job creation and business growth, adjacent to Stanton Cross.
Total Project Cost: £4.4m
LGF Awarded: £1.26m
Outputs: 110 new jobs, 44,000ft² new commercial space and 13 new occupied business units
Status: Completed November 2018

Project Name: Luton Hat District
Delivery Partner: Luton Culture Trust
Description: Three Hat Factory buildings are being developed to create a network of creative and KW Special Projects Ltd industry workspaces in the Cultural Quarter, located between Luton Station and Luton Town Centre.
Total Project Cost: £11.46m
LGF Awarded: £3.96m
Outputs: 114 new jobs, 2040m² usable floor space developed, 22 new start-ups and 1764 new opportunities for skills based learning
Status: Due to complete May 2021

Project Name: MAHLE Powertrain - Real Driving Emissions Centre
Delivery Partner: MAHLE Powertrain Ltd
Description: This project has developed a new research and development vehicle test chamber, with altitude and climatic simulation capability, unique in the UK. Based in Northampton, this project has enabled job and business growth in the automotive sector.
Total Project Cost: £8.8m
LGF Awarded: £2.1m
Outputs: 16 new jobs, 40 safeguarded jobs and 1550m² new industrial floor space
Status: Completed July 2018

Project Name: Catesby Aerodynamic Research Facility
Delivery Partner: Total Sim
Description: A 1.7 mile long straight and flat former railway tunnel converted to an indoor, fully controllable vehicle testing facility to include wind and simulated weather impact, aerodynamics and emissions. A significant new, global standard test facility enhancing the capability of the UK vehicle industry.
Total Project Cost: £21m
LGF Awarded: £4.2m
Outputs: 226 new jobs by 2025
Status: Due to complete September 2021

Project Name: Food and Drink Innovation Centre

Delivery Partner: Moulton College
Description: Moulton College's Food and Drink Innovation Centre officially opened on Thursday 28 March 2019. The Centre is now used by students on the college's further education food production courses, including food science and technology, food operations, health and nutrition, and supporting the many food and drink producers in Northamptonshire.
Total Project Cost: £3.8m
LGF Awarded: £3.5m
Outputs: 35 new jobs and 288 additional learners
Status: Officially opened 28 March 2019

Project Name: Vulcan Works
Delivery Partner: Northampton Borough Council
Description: Central to the cultural quarter in Northampton Town Centre, the Vulcan Ironworks will transform a largely derelict building into a business and learning space for creative industries.
Total Project Cost: £13.5m
LGF Awarded: £6.3m
Outputs: 174 new jobs, 59 new lettable units and 116 businesses supported
Status: Expected completion in June 2021

Project Name: I-WORX
Delivery Partner: Bedford Borough Council
Description: An Advanced Technology and Engineering Workshop Cluster offering twelve bespoke, modern engineering and work shop spaces on the new Bedford Commercial Park, ideal for new and expanding engineering businesses and perfectly located adjacent to the well connected A421.
Total Project Cost: £5.3m
LGF Awarded: £2.5m
Outputs: 600 new homes, 1450 new jobs and 15,000ft² new floor space
Status: Project completed September 2019, official opening 27 January 2020

Project Name: Bedford College Advanced Engineering Centre
Delivery Partner: Bedford College Group
Description: This new building next to the central tower block at Cauldwell Street offers employers great new space for electrical and engineering training in conjunction with the college to raise skills and boost productivity in the town.
Total Project Cost: £5.8m
LGF Awarded: £2.5m
Outputs: 12 new jobs, 150 additional learners and a further 150 apprenticeships by 2021/22
Status: Opened October 2018

Project Name: Academic Centre MK Hospital

Delivery Partner: University of Buckingham
Description: This new Academic Centre, delivered by The University of Buckingham, provides training facilities on the Milton Keynes Hospital site, delivering training and education of the University's own medical undergraduate students as well as a wide range of health professionals from the Milton Keynes Hospital NHS Foundation Trust.
Total Project Cost: £8.5m
LGF Awarded: £2m
Outputs: 150 new jobs, 700 newly qualified doctors
Status: Opened February 2018

Project Name: Daventry Campus
Delivery Partner: Northampton College
Description: The Northampton College Daventry Campus has seen an inspirational new learning environment for the town delivering a range of further education and meeting the needs of young people and employers in the local area.
Total Project Cost: £13.4m
LGF Awarded: £6.5m
Outputs: 20 new jobs, 2200 additional new learners and 500 apprenticeships by 2019/20
Status: Opened in Spring 2017

Project Name: A43 – Phase 2 - Northampton to Kettering improvements
Delivery Partner: Northamptonshire County Council
Description: The improvements to the A43 phase 2 was completed in Feb 2018 with a new dual carriageway between A45 and the A14, the north of the Moulton roundabout to a new junction near Overstone Grange This scheme is to enable improved speed and journey times on the A43 and open up land for 990 homes.
Total Project Cost: £8.9m
LGF Awarded: £6.5m
Outputs: 990 new homes
Status: Project completed February 2018

Project Name: MK Gallery
Delivery Partner: MK Gallery
Description: Transforming the contemporary art space in the town offering cafe, meeting room and training space. This project aims to increase visitor numbers to the city of Milton Keynes.
Total Project Cost: £12m
LGF Awarded: £1.3m
Outputs: 13 new jobs, 2 apprenticeships, up to 100 new volunteer roles and annual visitor numbers of 70,000 resulting in wider economic outputs and benefits to the city
Status: Opened March 2019

Project Name: Wootton Hall Park Access Improvements

Delivery Partner: Northamptonshire County Council
Description: Roundabout and access improvements have provided land for a new primary school with 350 places.
Total Project Cost: £2.678m
LGF Awarded: £1.7m
Outputs: 350 new school places
Status: Completed September 2016

Project Name: Stanton Cross
Delivery Partner: Bovis Homes
Description: A new railway bridge and site infrastructure will provide access to the Stanton Cross urban extension delivering 3650 new homes and 3000 new jobs.
Total Project Cost: £25m
LGF Awarded: £9m
Outputs: 3650 new homes and 3000 new jobs
Status: Completed July 2019

Project Name: A43 – Phase 1b Northampton to Kettering Improvements
Delivery Partner: Northamptonshire County Council
Description: This, combined with the A43 Phase 2 scheme, will provide improved speed and journey times on the A43 and open up land for 3000 homes.
Total Project Cost: £16.1m
LGF Awarded: £7.9m
Outputs: 1850 new homes
Status: Completed in June 2020

Project Name: A45 – Daventry Development Link
Delivery Partner: Northamptonshire County Council
Description: This A45 Daventry Development Link road is a new 3.5 mile (5.7km) single carriageway, which starts at a new roundabout on the existing A45 between the villages of Dodford and Weedon. It passes to the north of the villages of Weedon, Flore and Upper Heyford before rejoining the A45 at a new roundabout between Upper Heyford and the M1 motorway at junction 16. This road delivers a bypass to improve access along J16 of M1 and Daventry, opening up housing land for 4832 new homes. Construction of this road began in July 2018 and completed in November 2018.
Total Project Cost: £44.9m
LGF Awarded: £14m
Outputs: 4832 new homes
Status: Completed

Project Name: Smart Corridors

Delivery Partner: Northamptonshire County Council
Description: The Smart Commuter initiative, which will offer the public real-time traffic information to help them make more informed choices on their journeys. It will bring together a number of technology-based solutions, including bus priority, in a comprehensive and integrated way in a series of demonstration corridors in Northampton (Weedon Road, Kingsthorpe and Kettering Road). Each of these corridors have associated major housing developments.
Total Project Cost: £9.5m
LGF Awarded: £3.5m
Outputs: 2000 new homes and 3125 new jobs
Status: Due to complete March 2022

Project Name: Smart Commuting
Delivery Partner: Northamptonshire County Council
Description: This scheme sees improvements to junctions along key corridors in Northampton town centre, resulting in improved journey times and reliability.
Total Project Cost: £3.5m
LGF Awarded: £3.5m
Outputs: This project will benefit 2,700 new homes by 2022, with 5 new digital totems, 120 journey time sensors, 15 variable message signs, 10 smart junctions with bus priority, 30 bus stops with real time passenger information, 6 LEV charging points and an electric bike hire Network. Plus 2,700 new homes.
Status: Completed March 2020

Project Name: Transporting Bedford 2020
Delivery Partner: Bedford Borough Council
Description: This project seeks to reduce congestion and enable greater business productivity in the town by improving town centre traffic movement. The purpose of this scheme is to improve journey time reliability and inform traveller choices on the key corridor in and out of Bedford, between the A6/A421on the edge of town through Active Travel Management.
Total Project Cost: £18.6 m
LGF Awarded: £15.5m
Outputs: 10% increase in town centre footfall compared to 2019 data, eight junctions with physical capacity improvements and 3.9km of road improved by 2021
Status: Due to complete by March 2022

Project Name: M1 A6

Delivery Partner: Central Bedfordshire Council
Description: This project is a major infrastructure project to go east from the M1 J11A towards the A6 to improve access and open up employment and housing land north of Luton.
Total Project Cost: £60m
LGF Awarded: £32.75m
Outputs: This project will enable the development of more than 4000 new homes and create more than 2000 new jobs in the area
Status: TBC

Project Name: The Exchange, Aylesbury
Delivery Partner: Aylesbury Vale District Council
Description: An exciting new public square in a mixed use development which has changed the footfall and way in which people visit and use the Aylesbury town centre. The scheme has delivered 47 apartments, five restaurants and a stunning new public square where people can sit and relax as well as enjoy a range of thought-provoking sculpture.
Total Project Cost: £16m
LGF Awarded: £3.3m
Outputs: 47 new homes, 83 new jobs
Status: Opened March 2019

Project Name: Multi-use Environment Autonomous Vehicle Innovation (MUEAVI)
Delivery Partner: Cranfield University
Description: Multi-User Environment for Autonomous Vehicle Innovation (MUEAVI) is a purpose-built experimental facility for the rapid development of on and off-highway, ground and airborne autonomous solutions. This includes vehicles, infrastructure, data, logistics, environment, sensors, and their implementation and management. MUEAVI is a transport corridor that runs through the middle of Cranfield University campus. All of the data from MUEAVI is relayed in near real-time from the communication network running alongside both sides of the road into the Control Tower. The MUEAVI road is being actively integrated into campus life and has been opened for staff, students and visitors to use, with 'smart road signage' design projects currently being considered. This will advise road users when MUEAVI is open; closed off for trials, prior to full integration and what trials are taking place. A further layer of sensing technologies is now being added to the MUEAVI capability in the form of extremely high resolution and thermal imaging cameras, LIDAR sensors and MUEAVI bespoke RADAR components. MUEAVI is also part of the campus-wide 'Living Lab' project which is being led by academics in our School of Water, Energy and Environment.
Total Project Cost: £9m
LGF Awarded: £3m
Outputs: This project will enable 105 learners and 959 employees to benefit from improved facilities.
Status: Opened March 2018

Project Name: Improved Highway access for Luton Airport
Delivery Partner: Luton Borough Council
Description: A number of junction improvements are required to increase the road capacity around the south of the town near the airport. Previous studies have consistently shown that the Vauxhall Way/Kimpton Road junction is the most in need of improvement, and initial design of that junction has been completed and works are underway. Designs for other junctions in the East Luton area have now been completed, including the three junctions of Vauxhall Way with Eaton Green Road, Crawley Green Road and Hitchin Road, along with three junctions/sections of road in the Windmill Road/Gipsy Lane corridor (St Mary's Road, Windmill Road/Kimpton Road and Gipsy Lane/link to New Airport Way.
Total Project Cost: £6.2m
LGF Awarded: £1.2m
Outputs: This project will enable the development of 800 new homes and the creation of 750 new jobs
Status: Completed March 2021

Project Name: Smarter Routes to Employment
Delivery Partner: Central Bedfordshire Council
Description: This project added new bus stops and access points to the guided busway from Dunstable to Luton improving safety and passenger numbers. The new stops opened in Spring 2016.
Total Project Cost: £1m
LGF Awarded: £800,000
Outputs: This project enabled the following: • Additional walking trips • Additional cycling trips • Additional passengers on busway services • 6 Busway stops improved • Number of access connectivity improvements in busway corridor (six) • 10 KM of shared pathway improved, realigned or resurfaced
Status: Completed Spring 2016

Project Name: Bedford Western Bypass
Delivery Partner: Bedford Borough Council
Description: This new road opened in April 2016 and allowed traffic to avoid the town centre but instead to connect the A428 with the A6 south of Clapham. This aimed to reduce congestion and open land for employment and new homes. Over 50 new houses have already been built.
Total Project Cost: £18.68m
LGF Awarded: £2.5m
Outputs: 1,300 new homes and 1,000 new jobs
Status: Completed April 2016

Project Name: Growing Bletchley Station
Delivery Partner: Milton Keynes Council
Description: Contributing to the regeneration of the town the project has seen access and safety improvements for the station to enable safer use of sustainable transport.
Total Project Cost: £3.4m
LGF Awarded: £1.5m
Outputs: This project has enabled the following: • 500 metres improvements to pedestrian & cyclist routes • Improvements to 4 no. pedestrian crossing points • Improvements to the quality and safety of pedestrian links between Bletchley Railway Station and Bletchley Town Centre/Bletchley Bus Station • Reduction in vehicle speeding • Safer and more convenient use of sustainable transport modes • Improved 'town centre' arrival experience for those arriving at Bletchley by train
Status: Completed Spring 2017

Project Name: Woodside Link
Delivery Partner: Central Bedfordshire Council
Description: Joining up with the new J11A on the M1 this project has allowed greater access to the Woodside Link industrial area and opened up land for over 2400 new jobs and over 5,150 new homes.
Total Project Cost: £43.5m
LGF Awarded: £20m
Outputs: 2,400 new jobs and over 5,150 new homes
Status: Completed Summer 2017

Project Name: A421 Dualling
Delivery Partner: Central Bedfordshire Council
Description: This project will see dual carriageway built from J13 on the M1 to Milton Keynes opening up more land for employment with access to the motorway network.
Total Project Cost: £29m
LGF Awarded: £1m
Outputs: It will assist the delivery of 2,900 homes and up to 2,500 jobs
Status: Completed December 2020

Project Name: Centre of excellence for low-carbon automotive technologies
Delivery Partner: JRM Limited Group
Description: JRM Limited Group are extending and remodelling one of their existing sites in Daventry, Northamptonshire, to create a Centre of Excellence (CoE) for Low-carbon Automotive Technologies (manufacturing and automotive). The project will involve the build of two test rigs suitable for use by OEMs in the design of new electric and lightweight vehicles, which are themselves carbon neutral during testing, and provide the company infrastructure to acquire machining and additive manufacture (3D printing) equipment. The CoE will also create additional commercial incubation space for small and large businesses and be fitted with solar panels to provide between 75% and 100% of the energy needs for the site.
Total Project Cost: £3.2M
LGF Awarded: £1.63496M
Outputs: 465m^2 new industrial and office floorspace, 45 new direct jobs, 36 businesses assisted, 1008 tonnes reduction in CO2 by 2030
Status: Project approved by the SEMLEP board to complete by August 2021

Appendix 2

Strategic Context Summary

South East Midlands Strategic Context Summary

During the period of the LGF programme, SEMLEP has published a number of core economic strategies for the South East Midlands: The Strategic Economic Plan (2014), The Strategic Economic Plan (2017), the Growing People Skills Plan (2017), the area's Energy Strategy (2018) and the Local Industrial Strategy (LIS) and more recently, the Economic Recovery Strategy (2020). The key documents which drove the strategic for the LGF Programme have been the Strategic Economic Plan 2014 and 2017 and the Local Industrial Strategy. These can be found online and are summarised below.

Strategic Economic Plan (2014)

The initial Growth Deal for the South East Midlands area, agreed with Government and which released LGF funding, was based on the 2014 Strategic Economic Plan.

The SEMLEP Strategic Economic Plan set out the LEP's aspirations for growth up to 2020. The aim of the SEP was to deliver the necessary infrastructure to enable new homes to be built; to provide to new and existing businesses to enable them to grow; to encourage inward investment; and to ensure that young people improve their skills to offer what businesses in the area are seeking. The Plan set out in detail the evidence in each of the key topics of Transport, Housing, Jobs, Growth and Skills.

The 11 local authorities that formed SEMLEP had in place ambitious plans to deliver a further 86,700 new homes by 2020/21 to accommodate an increase in population of 151,400 with 111,200 new jobs.

The strategic direction for SEMLEP was a focus on supporting business investment and private sector jobs growth to drive economic success, including the acceleration of housing growth and employment through investment in the enabling infrastructure. SEMLEP had eight strategic objectives designed to improve business productivity, market penetration, workforce skills development and infrastructure investment. These were:

Business Productivity	1.	Stimulating enterprise and enhancing the competitiveness of SMEs.
	2.	Strengthening and exploiting our innovation and knowledge assets.
Markets	3.	Supporting new and existing businesses to export their goods and services.
	4.	Attracting domestic and international investments.
Skills	5.	Developing a skilled and adaptable workforce.
	6.	Addressing barriers to the labour market for disadvantaged groups.
Infrastructure	7.	Delivering infrastructure (transport, utilities and broadband) to accelerate sustainable growth in jobs, housing and investment in town centres,
	8.	Securing long-term and on-going funding to deliver the infrastructure plan.

Strategic Economic Plan (2017)

The South East Midlands' Strategic Economic Plan, published November 2017, set out strategic investments and future actions needed to grow the economy to its full potential. The Plan set out how the LEP intended to ensure that the South East Midlands economy not only continued to thrive but contribute even more to the success of UK plc., as well as playing a pivotal role in the growth of, and aspirations for, the Oxford-Cambridge Arc. To create the right conditions for growth, the plan detailed seven priorities, set out across three core themes: growing business, growing people and growing places.

Business	1.	To use our strengths in High-Performance Technology, including Next Generation Transport, to deliver commercialisation of innovation, driving growth within the Oxford-Cambridge Arc.
	2.	To deliver increased levels of private sector investment, including Foreign Direct Investment into the area, and grow jobs by 10% by 2025.
	3.	To delivery greater trading activity between companies in our area and elsewhere, with a special emphasis on emerging global markets, but also working to retain good European links.
Growing People	4.	To deliver an integrated and employer-led approach to skills attainment to ensure that the population is made aware of, and has the attributes and competencies required for, a modern, competitive economy.
Growing Places	5.	To deliver sufficient new homes – with 130,000 planned in the decade to 2025/26 – to meet the needs of our growing population, with an emphasis on accelerating the completion of units with planning consent.
	6.	To deliver the infrastructure needed to achieve our full growth potential, including East-West Rail and the Expressway, and much-improved Broadband and wireless connections.
Cross-cutting	7.	To ensure that this growth is undertaken in a manner that promotes social inclusion, equality and environmental sustainability.

Local Industrial Strategy (2019)

SEMLEP's Local Industrial Strategy (LIS) looks at the successes and strengths of the area and identifies priorities and interventions to realise innovation, further improve connectivity and interventions to realise innovation, further improve connective and achieve growth that is sustainable, inclusive and makes a positive impact on the environment.

Leading SEMLEP's economic growth are the globally recognised businesses with specialisms in technical testing, precision engineering, connected and autonomous vehicles and robotics, digital technologies and artificial intelligence. This has placed businesses in these sectors at the forefront of the UK's response to the future of Mobility Grand Challenge. The SEMLEP LIS prescribes six key ambitions for the SEM area within the Oxford-Cambridge Arc.

- To become the 'connected core' of the Oxford-Cambridge Arc: a place where innovators and markets come together to enable ideas and inventions to be tested, enhanced, commercialised and spun into high growth ventures.
- To connect expertise and capabilities to take the lead on addressing the 'Future of Mobility' Grand Challenge.
- To put employers at the heart of enhancing skills provision, training the next generation to lead the digital revolution.
- To fuse productivity-led growth with sustainability, by enhancing renewable energy use, connected transport solutions and greener vehicles, buildings and design principles.
- To trial innovative approaches to how they design and create new, and enhance their existing, places – by considering new ways of living, working, and moving around.
- To provide an exemplary business environment that supports businesses to start-up, scale-up and succeed.

The Local Industrial Strategy was developed in collaboration with other LEP's within the Oxford-Cambridge Arc to align with the Oxford-Cambridge Arc Vision.

Appendix 3

Spend to Date by Project

LGF Claimed to Date					
Theme	**Project**	**Total LGF Awarded**	**LGF Claimed to Date**		**Match Funding**
			£	**%**	
Growing Business	JRM Centre of Excellence	£1,634,960	£521,748	32%	£1,565,040
	Hydroponics	£4,500,000	£0	0%	£20,500,000
	3C Test Facility	£2,013,000	£603,900	30%	£2,502,717
	Electric Powertrain Test Facility (ePTF)	£810,000	£521,500	64%	£810,000
	Mahle Real Driving Emissions Centre	£2,100,000	£2,100,000	100%	£6,715,227
	K Block	£3,055,000	£2,000,700	65%	£3,179,000
	Signal Park (The Knoll, Daventry)	£3,200,000	£1,668,669	52%	£5,769,000
	Catesby Innovation Centre	£2,000,000	£2,000,000	100%	£2,000,000
	Intertek	£3,829,000	£3,450,000	90%	£5,841,000
	KWSP Digital Manufacturing Centre	£3,142,534	£2,942,534	94%	£3,796,269
	Enterprise Centre East Northants (ECEN)	£1,695,000	£1,695,000	100%	£5,946,571
	Millbrook Innovation Centre	£3,800,000	£3,800,000	100%	£400,000
	Leyland Trading Estate	£1,260,000	£1,260,000	100%	£3,140,000
	Luton Hat District	£3,961,000	£3,839,000	97%	£7,434,425
	MAHLE Road to Zero	£1,500,000	£1,000,000	67%	£3,600,000
	Catesby Aerodynamic Research Facility	£4,200,000	£4,200,000	100%	£16,800,000
	Millbrook - HGV Emissions	£2,397,042	£2,397,042	100%	£7,143,030
	*Moulton College Food & Drink	£1,750,000	£1,750,000	100%	£150,000
	Vulcan Ironworks	£6,300,000	£6,300,000	100%	£7,199,685
	i-Worx Bedford	£2,500,000	£2,500,000	100%	£2,853,000
	*MUEAVI at Cranfield	£1,500,000	£1,500,000	100%	£3,000,000
	Growing Business Total	**£57,147,536**	**£46,050,093**	**81%**	**£110,344,964**
Growing People	MK:U	£2,213,384	£540,000	24%	£2,500,000
	Cranfield University Forensic Institute	£3,641,000	£3,170,060	87%	£3,659,000
	Northampton College Digital Academy	£3,154,000	£2,469,268	78%	£3,154,000
	STEM Teaching	£1,269,745	£1,200,000	95%	£800,000
	Northampton College Test and Training Centre	£350,000	£350,000	100%	£1,300,000
	YMCA Milton Keynes	£767,202	£767,202	100%	£18,141,277
	Advanced Construction Engineering Centre Northampton College	£2,250,000	£2,250,000	100%	£2,652,390
	Bedford College Wellingborough Campus Renewal Project	£8,700,000	£8,700,000	100%	£2,500,000
	*Moulton College Food & Drink	£1,750,000	£1,750,000	100%	£150,000
	Bedford College Advanced Engineering Centre	£2,500,000	£2,500,000	100%	£3,300,000
	Academic Centre - Milton Keynes Hospital	£2,000,000	£2,000,000	100%	£6,500,000
	Engineering and Construction Skills Centre Leighton Buzzard	£2,500,000	£2,500,000	100%	£2,200,723
	Daventry Campus	£6,500,000	£6,500,000	100%	£6,981,170
	Growing People Total	**£37,595,331**	**£34,696,530**	**92%**	**£53,838,560**
Growing Places	Dunstable High Street	£2,500,000	£2,500,000	100%	£2,760,000
	Houghton Brook Flood Relief	£1,000,000	£900,000	90%	£4,700,000
	MK5G	£5,303,428	£4,501,020	85%	£3,450,000
	Smart Ticketing	£840,000	£293,960	35%	£580,000
	Northampton North West Relief Road	£7,930,000	£7,930,000	100%	£27,251,965
	MK Gallery	£1,300,000	£1,300,000	100%	£10,737,213
	Wootton Hall Park Access	£1,700,000	£1,700,000	100%	£978,000
	Stanton Cross	£9,000,000	£9,000,000	100%	£16,000,000
	A43 Northampton to Kettering Link (Local Transport Body Project) Phase 1b	£7,900,000	£7,900,000	100%	£8,224,606
	A43 - Phase 2 - Northampton to Kettering improvements	£6,500,000	£6,500,000	100%	£2,485,972
	A45 Northampton to Daventry Link (Local Transport Body Project)	£14,000,000	£14,000,000	100%	£30,945,428
	Smart Corridors	£3,500,000	£3,500,000	100%	£6,000,000
	Smart Commuting	£3,500,000	£3,500,000	100%	£0
	Transporting Bedford 2020	£15,500,000	£11,327,564	73%	£3,120,000
	Woodside Link	£20,000,000	£20,000,000	100%	£23,530,224
	The Exchange, Aylesbury	£3,300,000	£3,300,000	100%	£12,993,495
	*MUEAVI at Cranfield	£1,500,000	£1,500,000	100%	£3,000,000
	London Luton Airport Highway	£1,200,000	£1,200,000	100%	£5,000,000
	Growing Bletchley Station	£1,500,000	£1,500,000	100%	£1,926,000
	Smarter Routes to Employment	£800,000	£800,000	100%	£200,000
	Bedford Western Bypass	£2,500,000	£2,500,000	100%	£16,187,294
	Broadband	£4,000,000	£4,000,000	100%	£0
	A421 Dualling (LGF and DfT funding) [*Remaining LGF is DfT]	£23,500,000*	£1,000,000	100%	£6,000,000
	Growing Places Total	**£138,773,428**	**£110,652,544**	**80%**	**£186,070,197**

Notes: LGF Claimed to Date refers to LGF Outturn as reported in the Q3 2021 Claim Form. Two projects are allocated to two different investment themes: Moulton College Food & Drink (Growing Business and Growing People) and MUEAVI at Cranfield (Growing Business and Growing Places). Where this is the case, the allocation and spend for each project has been equally divided between the relevant themes.

The theme analysis also excludes the broadband projects (NEP Broadband, SEMLEP Broadband, as they haven't been allocated a theme. The M1 A6 project has also been excluded as the project is retained by the Department for Transport.

Appendix 4

LGF Grants by Project and Theme

Growth Fund Allocation by Theme			
Theme	**Project**	**LGF Allocation**	**Total for Classification**
Growing Business	JRM Centre of Excellence	£1,634,960	£57,147,536
	Hydroponics	£4,500,000	
	3C Test Facility	£2,013,000	
	Electric Powertrain Test Facility (ePTF)	£810,000	
	Mahle Real Driving Emissions Centre	£2,100,000	
	K Block	£3,055,000	
	Signal Park (The Knoll, Daventry)	£3,200,000	
	Catesby Innovation Centre	£2,000,000	
	Intertek	£3,829,000	
	KWSP Digital Manufacturing Centre	£3,142,534	
	Enterprise Centre East Northants (ECEN)	£1,695,000	
	Millbrook Innovation Centre	£3,800,000	
	Leyland Trading Estate	£1,260,000	
	Luton Hat District	£3,961,000	
	MAHLE Road to Zero	£1,500,000	
	Catesby Aerodynamic Research Facility	£4,200,000	
	Millbrook - HGV Emissions	£2,397,042	
	*Moulton College Food & Drink	£1,750,000	
	Vulcan Ironworks	£6,300,000	
	i-Worx Bedford	£2,500,000	
	*MUEAVI at Cranfield	£1,500,000	
Growing People	MK:U	£2,213,384	£37,595,331
	Cranfield University Forensic Institute	£3,641,000	
	Northampton College Digital Academy	£3,154,000	
	STEM Teaching	£1,269,745	
	Northampton College Test and Training Centre	£350,000	
	YMCA Milton Keynes	£767,202	
	Advanced Construction Engineering Centre Northampton College	£2,250,000	
	Bedford College Wellingborough Campus Renewal Project	£8,700,000	
	*Moulton College Food & Drink	£1,750,000	
	Bedford College Advanced Engineering Centre	£2,500,000	
	Academic Centre - Milton Keynes Hospital	£2,000,000	
	Engineering and Construction Skills Centre Leighton Buzzard	£2,500,000	
	Daventry Campus	£6,500,000	
Growing Places	Dunstable High Street	£2,500,000	£138,773,428
	Houghton Brook Flood Relief	£1,000,000	
	MK5G	£5,303,428	
	Smart Ticketing	£840,000	
	Northampton North West Relief Road	£7,930,000	
	MK Gallery	£1,300,000	
	Wootton Hall Park Access	£1,700,000	
	Stanton Cross	£9,000,000	
	A43 Northampton to Kettering Link (Local Transport Body Project) Phase 1b	£7,900,000	
	A43 - Phase 2 - Northampton to Kettering improvements	£6,500,000	
	A45 Northampton to Daventry Link (Local Transport Body Project)	£14,000,000	
	Smart Corridors	£3,500,000	
	Smart Commuting	£3,500,000	
	Transporting Bedford 2020	£15,500,000	
	Woodside Link	£20,000,000	
	The Exchange, Aylesbury	£3,300,000	
	*MUEAVI at Cranfield	£1,500,000	
	London Luton Airport Highway	£1,200,000	
	Growing Bletchley Station	£1,500,000	
	Smarter Routes to Employment	£800,000	
	Bedford Western Bypass	£2,500,000	
	A421 Dualling (LGF and DfT funding)	£23,500,000	
	Broadband	£4,000,000	
		Total	**£266,266,295**

Source: SEMLEP LGF Q3 2021, March 2021

Notes: Two projects are allocated to two different investment themes: Moulton College Food & Drink (Growing Business and Growing People) and MUEAVI at Cranfield (Growing Business and Growing Places). Where this is the case, the allocation for each project has been equally divided between the relevant themes. The M1 A6 Project has been excluded from the table as it is retained by DfT, but the £32,750,000 LGF allocation has been included in the overall Total.

Appendix 5

LGF Grants by Project and Geography

Local Growth Fund Allocation by Local Authority Area			
Area	**Project**	**LGF Allocation**	**Area Total**
Central Bedfordshire	A421 Dualling (LGF and DfT funding)	£23,500,000	£95,138,042
	Woodside Link	£20,000,000	
	Engineering and Construction Skills Centre Leighton Buzzard	£2,500,000	
	Smarter Routes to Employment	£800,000	
	Millbrook - HGV Emissions	£2,397,042	
	Millbrook Innovation Centre	£3,800,000	
	Dunstable High Street	£2,500,000	
	Cranfield University Forensic Institute	£3,641,000	
	MUEAVI at Cranfield	£3,000,000	
	M1 A46	£33,000,000	
West Northamptonshire	Daventry Campus	£6,500,000	£87,684,494
	Catesby Aerodynamic Research Facility	£4,200,000	
	Catesby Innovation Centre	£2,000,000	
	Electric Powertrain Test Facility (ePTF)	£810,000	
	A43 - Phase 2 - Northampton to Kettering improvements	£6,500,000	
	A45 Northampton to Daventry Link (Local Transport Body Project)	£14,000,000	
	Moulton College Food & Drink	£3,500,000	
	Signal Park (The Knoll, Daventry)	£3,200,000	
	*A43 Northampton to Kettering Link (Local Transport Body Project) Phase 1b	£3,950,000	
	JRM Centre of Excellence	£1,634,960	
	*A43 Northampton to Kettering Link (Local Transport Body Project) Phase 1b	£3,950,000	
	Wootton Hall Park Access	£1,700,000	
	Smart Corridors	£3,500,000	
	Vulcan Ironworks	£6,300,000	
	Northampton North West Relief Road	£7,930,000	
	Smart Commuting	£3,500,000	
	Mahle Real Driving Emissions Centre	£2,100,000	
	Advanced Construction Engineering Centre Northampton College	£2,250,000	
	Northampton College Test and Training Centre	£350,000	
	MAHLE Road to Zero	£1,500,000	
	Northampton College Digital Academy	£3,154,000	
	KWSP Digital Manufacturing Centre	£3,142,534	
	3C Test Facility	£2,013,000	
Bedford	Bedford Western Bypass	£2,500,000	£28,769,745
	i-Worx Bedford	£2,500,000	
	Bedford College Advanced Engineering Centre	£2,500,000	
	Transporting Bedford 2020	£15,500,000	
	Hydroponics	£4,500,000	
	STEM Teaching	£1,269,745	
North Northamptonshire	Stanton Cross	£9,000,000	£20,655,000
	Bedford College Wellingborough Campus Renewal Project	£8,700,000	
	Leyland Trading Estate	£1,260,000	
	Enterprise Centre East Northants (ECEN)	£1,695,000	
	N/A	£0	
	N/A	£0	
Milton Keynes	Growing Bletchley Station	£1,500,000	£17,753,014
	Academic Centre - Milton Keynes Hospital	£2,000,000	
	MK Gallery	£1,300,000	
	Intertek	£3,829,000	
	Smart Ticketing	£840,000	
	MK:U	£2,213,384	
	YMCA Milton Keynes	£767,202	
	MK5G	£5,303,428	
Luton	London Luton Airport Highway	£1,200,000	£9,216,000
	Luton Hat District	£3,961,000	
	Houghton Brook Flood Relief	£1,000,000	
	K Block	£3,055,000	
Aylesbury Vale	The Exchange, Aylesbury	£3,300,000	£3,300,000
	Total		**£262,516,295**

Source: SEMLEP LGF Q3 2021, March 2021

Appendix 6

Match Funding by Project

Match Funding Assessment by Theme					
Theme	**Project**	**Total LGF Awarded**	**Match Funding**	**Intervention Rate - LGF/ (LGF+Match)**	**£1 of LGF brings £x Match**
Growing Business	JRM Centre of Excellence	£1,634,960	£1,565,040	51%	£0.96
	Hydroponics	£4,500,000	£20,500,000	18%	£4.56
	3C Test Facility	£2,013,000	£2,502,717	45%	£1.24
	Electric Powertrain Test Facility (ePTF)	£810,000	£810,000	50%	£1.00
	Mahle Real Driving Emissions Centre	£2,100,000	£6,715,227	24%	£3.20
	K Block	£3,055,000	£3,179,000	49%	£1.04
	Signal Park (The Knoll, Daventry)	£3,200,000	£5,769,000	36%	£1.80
	Catesby Innovation Centre	£2,000,000	£2,000,000	50%	£1.00
	Intertek	£3,829,000	£5,841,000	40%	£1.53
	KWSP Digital Manufacturing Centre	£3,142,534	£3,796,269	45%	£1.21
	Enterprise Centre East Northants (ECEN)	£1,695,000	£5,946,571	22%	£3.51
	Millbrook Innovation Centre	£3,800,000	£400,000	90%	£0.11
	Leyland Trading Estate	£1,260,000	£3,140,000	29%	£2.49
	Luton Hat District	£3,961,000	£7,434,425	35%	£1.88
	MAHLE Road to Zero	£1,500,000	£3,600,000	29%	£2.40
	Catesby Aerodynamic Research Facility	£4,200,000	£16,800,000	20%	£4.00
	Millbrook - HGV Emissions	£2,397,042	£7,143,030	25%	£2.98
	*Moulton College Food & Drink	£1,750,000	£150,000	92%	£0.09
	Vulcan Ironworks	£6,300,000	£7,199,685	47%	£1.14
	i-Worx Bedford	£2,500,000	£2,853,000	47%	£1.14
	*MUEAVI at Cranfield	£1,500,000	£3,000,000	33%	£2.00
	Growing Business Total	**£57,147,536**	**£110,344,964**	**34%**	**£1.93**
Growing People	MK:U	£2,213,384	£2,500,000	47%	£1.13
	Cranfield University Forensic Institute	£3,641,000	£3,659,000	50%	£1.00
	Northampton College Digital Academy	£3,154,000	£3,154,000	50%	£1.00

Match Funding Assessment by Theme					
Theme	**Project**	**Total LGF Awarded**	**Match Funding**	**Intervention Rate - LGF/ (LGF+Match)**	**£1 of LGF brings £x Match**
	STEM Teaching	£1,269,745	£800,000	61%	£0.63
	Northampton College Test and Training Centre	£350,000	£1,300,000	21%	£3.71
	YMCA Milton Keynes	£767,202	£18,141,277	4%	£23.65
	Advanced Construction Engineering Centre Northampton College	£2,250,000	£2,652,390	46%	£1.18
	Bedford College Wellingborough Campus Renewal Project	£8,700,000	£2,500,000	78%	£0.29
	*Moulton College Food & Drink	£1,750,000	£150,000	92%	£0.09
	Bedford College Advanced Engineering Centre	£2,500,000	£3,300,000	43%	£1.32
	Academic Centre - Milton Keynes Hospital	£2,000,000	£6,500,000	24%	£3.25
	Engineering and Construction Skills Centre Leighton Buzzard	£2,500,000	£2,200,723	53%	£0.88
	Daventry Campus	£6,500,000	£6,981,170	48%	£1.07
	Growing People Total	**£37,595,331**	**£53,838,560**	**41%**	**£1.43**
Growing Places	Dunstable High Street	£2,500,000	£2,760,000	48%	£1.10
	Houghton Brook Flood Relief	£1,000,000	£4,700,000	18%	£4.70
	MK5G	£5,303,428	£3,450,000	61%	£0.65
	Smart Ticketing	£840,000	£580,000	59%	£0.69
	Northampton North West Relief Road	£7,930,000	£27,251,965	23%	£3.44
	MK Gallery	£1,300,000	£10,737,213	11%	£8.26
	Wootton Hall Park Access	£1,700,000	£978,000	63%	£0.58
	Stanton Cross	£9,000,000	£16,000,000	36%	£1.78
	A43 Northampton to Kettering Link (Local Transport Body Project) Phase 1b	£7,900,000	£8,224,606	49%	£1.04
	A43 - Phase 2 - Northampton to Kettering improvements	£6,500,000	£2,485,972	72%	£0.38
	A45 Northampton to Daventry Link (Local Transport Body Project)	£14,000,000	£30,945,428	31%	£2.21
	Smart Corridors	£3,500,000	£6,000,000	37%	£1.71
	Smart Commuting	£3,500,000	£0	100%	£0.00
	Transporting Bedford 2020	£15,500,000	£3,120,000	83%	£0.20

Match Funding Assessment by Theme					
Theme	**Project**	**Total LGF Awarded**	**Match Funding**	**Intervention Rate - LGF/ (LGF+Match)**	**£1 of LGF brings £x Match**
	Woodside Link	£20,000,000	£23,530,224	46%	£1.18
	The Exchange, Aylesbury	£3,300,000	£12,993,495	20%	£3.94
	*MUEAVI at Cranfield	£1,500,000	£3,000,000	33%	£2.00
	London Luton Airport Highway	£1,200,000	£5,000,000	19%	£4.17
	Growing Bletchley Station	£1,500,000	£1,926,000	44%	£1.28
	Smarter Routes to Employment	£800,000	£200,000	80%	£0.25
	Bedford Western Bypass	£2,500,000	£16,187,294	13%	£6.47
	Broadband	£4,000,000	£0	100%	£0.00
	A421 Dualling (LGF and DfT funding)	£23,500,000	£6,000,000	55%	£0.82
	Total	**£138,773,428**	**£186,070,197**	**43%**	**£1.34**
Notes: The M1 A6 project has also been excluded as the project is retained by the Department for Transport.					

Appendix 7

Output Analysis by Project

Project Level Outputs - Forecasts and Actuals																				
Outputs	**Jobs (including Apprenticeships)**		**Housing Units Completed**		**Commercial Floorspace (sqm)**		**Area of new Skills Floorspace (sqm)**		**Number of New Learners Assisted (in courses leading to a full qualification)**		**Apprentices**		**Businesses Created**		**Businesses Supported**		**Length of Road (km)**		**Employment Land (ha)**	
Projects	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**
M1 A6	0	2000	0	4000	0	80000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A45 – Daventry Development Link	0	0	890	4832	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A43 – Phase 1b Northampton to Kettering Improvements	0	0	126	1850	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A43 – Phase 2 - Northampton to Kettering improvements	0	0	0	990	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Stanton Cross	0	3000	230	3650	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bedford Western Bypass	10	1000	503	1300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Daventry Campus	0	520	0	0	0	0	0	0	2367	2200	348	500	0	0	0	0	0	0	0	0
Engineering and Construction Skills Leighton Buzzard	13	20	0	0	0	0	0	0	398	390	17	0	0	0	0	0	0	0	0	0
Woodside Link	2862	2400	481	5150	0	0	0	0	0	0	0	0	0	0	0	0	3.3	0	0	8
Luton Highway Access	0	750	0	800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A421 dualling	1700	2500	578	2900	126000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Moulton College Food and Drink Innovation Centre	8.25	16	0	0	0	0	0	0	104	288	0	0	0	0	0	0	0	0	0	0
Smart Commuting	0	0	1096	2700	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smart Corridors	0	3125	291	2000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MUEAVI	24.5	36	0	0	0	0	267	267	294	205	0	0	0	0	0	0	0.8	0.8	10.09	20
Advanced Engineering Centre, Bedford College	11	24	0	0	0	0	1521	1551	87	150	42	150	0	0	0	0	0	0	0	0
I-WORX	343	1450	251	600	16000	15000	0	0	0	200	0	0	0	0	0	0	0	0	0	0
The Exchange, Aylesbury	55	83	47	47	3190	0	0	0	0	0	0	0	3	5	0	0	0	0	0	0
MK Gallery Expansion	31	13.36	0	0	2031	2031	55	55	16	0	2	2	0	0	0	0	0	0	0	0
Millbrook Innovation Centre	0	0	0	0	13967	13967	0	0	0	0	0	0	0	0	20	8	0	0	0	0
Vulcan Works	0	174	0	0	0	5770	0	0	0	0	0	0	0	0	0	116	0	0	0	0
Catesby Aerodynamic Research Facility	0	226	0	0	0	0	0	0	0	60	0	0	0	6	0	45	0	0	0	0
Luton Hat District	48.6	102.6	0	0	0	2040	0	0	0	1764	0	0	0	0	0	0	0	0	0	0
MAHLE Real Driving Emissions Centre	12	16	0	0	1600	1600	0	0	0	0	1	5	0	0	0	0	0	0	0	0
Millbrook HGV Emissions	13	5.4	0	0	997	745	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transporting Bedford 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.9	0	0
Bedford College Wellingborough (Skills Capital Fund)	20	0	0	0	0	0	8603	5813	498	1066	21	176	0	0	0	0	0	0	0	0
Northampton College ACE (Skills Capital Fund)	30	32	0	0	0	0	1058	1058	1259	660	40	170	0	0	0	0	0	0	0	0
Northampton College Test & Training Centre	3	0	0	0	0	0	769	769	0	0	12	185	0	0	0	0	0	0	0	0
Houghton Brook Flood Relief Scheme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intertek CoE	1	34	0	0	0	3018	0	60	0	8	0	2	0	0	0	0	0	0	0	0
K Block	0	276	0	0	0	1880	0	312	0	0	0	0	0	0	0	0	0	0	0	0

Project Level Outputs - Forecasts and Actuals																				
Outputs	**Jobs (including Apprenticeships)**		**Housing Units Completed**		**Commercial Floorspace (sqm)**		**Area of new Skills Floorspace (sqm)**		**Number of New Learners Assisted (in courses leading to a full qualification)**		**Apprentices**		**Businesses Created**		**Businesses Supported**		**Length of Road (km)**		**Employment Land (ha)**	
Projects	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**	**Achieved to date**	**Expected to be achieved by 2030**
YMCA MK	7	13	199	199	296	296	204	204	35	380	0	0	3	3	0	0	0	0	0	0
Enterprise Centre East Northants	48	173	0	0	2510	2510	0	0	0	0	0	0	11	50	0	0	0	0	0	0
Mahle Road to Zero	0	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Catesby Innovation Centre	0	43	0	0	0	1465	0	0	0	0	0	15	0	0	0	250	0	0	0	0.3
STEM teaching block	3	3	0	0	0	0	0	983	0	0	0	0	0	0	0	0	0	0	0	0
Smart Ticketing	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KWS Digital Manufacturing Innovation Centre	3	49	0	0	0	1657	0	0	0	0	0	20	0	0	0	115	0	0	0	0
Dunstable High Street	0	51	0	80	0	0	0	0	0	0	0	0	0	53	0	0	0	2.4	0	0
Hydroponics	1	73	0	0	0	1000	0	0	0	0	0	130	0	0	0	65	0	0	0	0
MK5G	0	245	0	0	0	0	0	0	0	0	0	0	0	0	0	200	0	0	0	0
Northampton College Digital Skills Academy	0	12	0	0	0	0	0	1303	0	5185	0	0	0	0	0	0	0	0	0	0
3C Test Facility	5	28	0	0	0	0	0	200	0	0	0	8	0	0	0	40	0	0	0	0
Electric Powertrain Test Facility	0	5	0	0	0	0	0	0	0	37	0	0	0	0	0	0	0	0	0	0
Cranfield University Forensic Institute	7	22	0	0	0	0	0	500	0	170	0	0	0	0	0	0	0	0	0	0
MK:U	0	18	0	0	0	0	0	1022	0	2900	0	0	0	0	0	0	0	0	0	0
JRM Centre of excellence	6	45	0	0	0	465	0	0	4	21	1	0	0	0	0	36	0	0	0	0
Signal Park (The Knoll)	0	161	0	0	0	4645	0	0	0	0	0	0	0	0	0	0	0	0	0	2.496
Northampton NW Relief Road	0	3393	0	6600	0	41200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wootton Hall Access Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Leyland Trading Estate	108	110	0	0	4088	4088	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Academic Centre, Milton Keynes Hospital	150	150	0	0	0	0	2000	0	377	0	0	0	0	0	0	0	0	0	0	0
Growing Bletchley Station	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Smarter Routes to Employment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**5524**	**22409**	**4692**	**37698**	**170679**	**183377**	**14477**	**14097**	**5439**	**15684**	**484**	**1363**	**17**	**117**	**20**	**875**	**4.1**	**7.1**	**10.1**	**30.8**

Appendix 8

Case Studies

Northampton College Advanced Engineering Centre

LGF Awarded: £2.25 million
Total Project Cost: £4.9 million
Delivery Partner: Northampton College
Project Status: Officially opened September 2019
Projected Outputs: 659 additional new learners by 2025/26

Background

The project is a state-of-the-art facility at the Northampton College Booth Lane Campus, which supports learners to develop the skills needs for the most up-to-date construction and engineering technologies. The Advanced Construction Engineering (ACE) Centre will help to train the next generation of builders, plumbers and decorators and teach pioneering new techniques aimed at equipping the workforce of the future with the very latest skills.

The project was designed to tackle a severe construction skills shortage and to build a better future for the construction industry in Northamptonshire and the South East Midlands. Increasingly, the distinction between construction and engineering is becoming blurred; thus, the Centre brings them both together. Alongside courses which focus on craft skills such as brickwork, painting and decorating, carpentry and the traditional trades there are also courses at Level 3 for those looking for supervisory, technician or management careers in the sector, such as in Civil Engineering, Building Services Engineering, or Project Management.

SEMLEP's Skills Capital Investment has built a new state-of-the-art facility that will develop the future skills needed for the most up to date construction and engineering technologies:

- Pre-manufactured, modular solutions that require new, dedicated engineering and digital skills.
- New manufacturing, fabrication and welding skills (in which Northampton College is well established).
- The traditional trade skills in the context of new building design and manufacture.
- Embedding of Building Information Modelling (BIM) in both skills and professional training to equip learners to respond to the Government's UK Construction Strategy.

The Centre is closely aligned with the skills shortage areas and is looking at developing the pipeline of students in those areas that could move into employment and apprenticeships to fill that gap. The skills shortages themselves have been exacerbated by the UK's withdrawal from the EU, increasing the relevance and importance of the project altogether.

The centre features a revolutionary 'Digital Lab' featuring a Virtual Reality classroom, 3D printing facilities and industry-standard workshop equipment and will provide a pipeline of 'work-ready' staff for local employers, with dozens of major companies, including the likes of Kier, Bowmer & Kirkland, Metcalfe's and the Murphy Group, already in place as recognised industry-based partners.

Impact

The £2.25m Local Growth Fund contribution is enabling those enrolled at Northampton College to learn pioneering new techniques and skills which will support their employability. The project's primary outputs concern the number of new individuals into training – for which the project has exceeded the target of 368, reporting a total of 445.

- The project is expecting to recruit at least 649 additional new learners by 2025/26.
- Estimated net economic impact of £6.3m.
- The project has already seen 51 new apprentices (compared with a target of 50 to date). Expected to host 170 apprenticeships by 2024/25.
- 345 full time construction programmes by 2024/25.
- Level 4, 5 and 6: 135 students per annum by 2025/26.
- Estimated to be around 350 further education students per annum by 2025.
- The project has provided 20 teaching jobs and 12 technician/administration jobs.
- A total of 1,058 sqm of teaching space has been created, as well as 2 end point assessment centres.

The project virtually hit their targets in their first year due to the popularity of the courses, and are already pushing for more space. There has been significant demand from both students and from companies. Success has meant that they have opened up 2 extra courses at another site at Daventry (which wasn't in the plan), and add a 180sqm marquee outside to accommodate the expansion of bricklaying.

As a College, they look at progression into further education and employment; the majority of learners are likely to move into apprenticeships and employment. The project aims to act as a catalyst for the sector, encouraging investment in construction projects, and aiming to increase the number of women in the sector.

The College has also benefitted from working with SEMLEP in a number of less tangible ways. SEMLEP can link and bring together wider employers, which is a good resource for the Centre. SEMLEP's private sector engagement provides added value for the College; local contractors have provided surplus materials and parts, which are relationships that the College wouldn't have made without SEMLEP. The Centre now boasts over 10 employers pledged as 'employer partners' where staff will work with college students.

Impact of Covid-19

The Covid-19 pandemic has impacts on the apprenticeships side; however, the biggest constriction has been the impact on finding and recruiting staff, which is an ongoing challenge. Moreover, space is becoming an issue – the project is hoping to overcome this with a more staggered timetable featuring twilight working hours, and to use the facilities more intensively.

Next Steps

The College is pursuing an expansion, a further building to accommodate more STEM subjects, plant machinery and electric vehicles.

- The team are keen to know of any issues early on, they want to get involved, understand it and help. The Programme Management Board meetings help SEMLEP to learn and share knowledge between projects.
- SEMLEP's funding is primarily for capital and building projects; for higher education projects, building space is only part of the requirement, as well as staff, training, equipment, and marketing to source businesses, especially in light of the Covid-19 pandemic and the shift to online. Pump-prime funding to engage with SMEs to encourage them to take on apprenticeships and learners, and funding in these areas, might be helpful for some projects.

Enterprise Centre: East Northants (ECEN)

LGF awarded: £1.695m
Total project cost: £7.6m
Delivery Partner: East Northamptonshire Council
Project Status: Completed June 2020
Projected Outputs: 2,510 sqm office space, 173 new jobs, 50 new start-up businesses

Summary

This new enterprise centre at Warth Business Park in Raunds, Northants, provides 3,430 sqm gross of new, high quality, business floorspace, incorporating 2,510 sqm office/studio managed workspace in a range of units, from 1-person (10 sqm) to 10+-people (100 sqm). The units are modern, flexible and run on an 'easy in, easy out' basis, which will be critical for nurturing start-ups and business growth.

The centre provides management, reception, meeting and networking spaces, and other facilities including superfast broadband. In addition to providing a base for high-value start-up and growth of businesses, ECEN provides a platform for all local businesses to increase productivity through support and networking opportunities.

ENS worked with Total Project Integration (TPI) and R H Partnership Architects to deliver the £8 million project. East Northamptonshire Council received £1.695 million support from SEMLEP Local Growth Fund in order to deliver the centre as part of Enterprising East Northants, the Council's economic plan for sustainable job creation and business growth.

The day-to-day operation of the site is managed by BizSpace, a leading provider of regional flexible workspace, who will work with Enterprising East Northants, the Council's economic arm, to provide small and medium enterprises with business support and advice. BizSpace will also help to facilitate local networking by hosting monthly events.

Background and Rationale

The project aims to drive enterprise and entrepreneurship in the area, in response to a frustration with a high rate of out-commuting to Cambridge, London, Northampton and Milton Keynes.

The focus of the local economy has been on distribution and logistics too, which can be seen as generally lower skilled. The project aims to rebalance the economy by encouraging enterprise and the growth of jobs in the area. The project specifically aims to support new and growing enterprises with the accommodation and business support they needed through 'easy in, easy out' accommodation in a range of sizes. The project also provides bespoke business support on site, and the site is aiming to become a centre for all business networks and training in the area. The project also aims to develop a community of interest on site, stimulating and incubating businesses.

Impact

The enterprise centre aims to be attractive to both new businesses who might see it as a first step into an office/workshop environment, and to more established businesses that may see the premises as an opportunity to maximise new ways of flexible working between employees homes and an established office set up.

To date, the project is exceeding its target occupation (41% instead of 35%). This has been supplemented by a number of public sector teams who are vacating County Hall in Northampton, who have required accommodation.

In terms of local impact, the project represents investment in the area, and also reflects confidence and intention to build enterprise and businesses in the area. There is a real sense that the building represents the local area's ambition to be entrepreneurial and to adapt to the new world.

Overall, the project expects to achieve the following key outputs:

- 63 businesses supported a year
- 10 businesses starts a year
- 2,510 net additional office floorspace
- 173 jobs created (to 2025)
- 59 indirect jobs (to 2025, excluding construction)
- £32.1m economic contribution (to 2025).

The project intends to have a wider impact on attracting inward investment and boosting productivity amongst SMEs, whilst also reducing unemployment and out-commuting in the area. The Centre already plays host to a range of businesses, including marketing, digital, commercial agents, app developers, and the Council's Recovery Hub.

Since opening, the project has seen increased demand for training; the project has submitted a change of use application to allow for 25% of the building to be used for training, to support businesses who are looking to move into new markets and to develop new skills.

It is considered by the project lead that the Enterprise Centre model is one that should be implemented across the region – be it sector specific or general. The area would also benefit from acceleration space.

Environmental and Social Impact

The project's focus on alleviating the need for out-commuting will have positive knock-on effects on the environment by encouraging workers to remain local, without having to commute as far for work. Moreover, the site provides bike racks to encourage cycling, and is tied into local Greenway cycling initiative too. The centre is home to two electric car charging points, and they have the capacity to increase this.

Socially, the centre acts as a meeting point, and aims to support a move towards more flexible, hybrid mode of working.

Impact of Covid-19

Uncertainties provoked by the Covid-19 pandemic and inevitable changes to work practices and behaviours emphasise the need for flexible workspace, and the centre is ideally positioned to support SMEs and entrepreneurs as they adapt to a new working culture, in a safe and secure space. The project is therefore well positioned to businesses who need to adapt and pivot their operations; larger businesses are rethinking their operations, whilst individuals might have saved enough to start their own business in the wake of the pandemic.

The pandemic also only pushed the opening back 6 weeks.

Transporting Bedford 2020

LGF awarded: £15.5m
Total project costs: £18.6m
Delivery Partner: Bedford Borough Council
Project outputs: 10% increase in town centre footfall compared to 2019 data, eight junctions with physical capacity improvements and 3.9km of road improved by 2021
Project status: Expected completion March 2022.

Summary

The project seeks to reduce congestion and enable greater business productivity in the town by improving town centre traffic movement. The purpose of this scheme is to improve journey time reliability and inform traveller choices on the key corridor in and out of Bedford, between the A6/A421on the edge of town through Active Travel Management.

Transporting Bedford 2020 is the result of a merging of two Bedford Borough Council projects: the Bedford Town Regeneration Scheme and the Bedford Southern Gateway Project. £11m was allocated at LGF2 for the former and £4.5m was allocated at LGF3 for the latter.

The Bedford Town Regeneration Scheme centred on an additional river crossing; these funds were retained by the Department for Transport (DfT). Subsequently the scope of the scheme (which primarily focused on a new river crossing at Batts Ford bridge) was deemed unaffordable and alternative ways of delivering the same economic outcomes were sought. In 2016, Bedford Borough Council was successful in bidding for LGF3 funds, securing £4.5m for the Southern Gateway project which is technology and junction improvements along the Ampthill Road.

The combined package of scheme measures will:

- Enhance the permeability of the core town centre, creating better connections between the retail quarter, the cultural quarter, and the Great River Ouse.
- Enhance the management of traffic movements into and across the town to improve journey time reliability.
- Provide travellers with real-time information about traffic and travel conditions to allow them to make informed decisions about travel behaviour.

The intention is to deliver a range of public realm, junction improvement and SMART traffic control and traffic signal technology on key routes and junctions and within the town centre between spring 2018 and 2022.

Background and Rationale

Bedford Borough Council, after commissioning a transport study, identified that there were a number of peak period capacity constraints at a number of junctions, as well as considerable journey time variations on key corridors leading to the town centre. The Council also found that motorised vehicles dominated corridors leading into the town centre, as well as High Street and St Paul's Square. It was determined that there were sub-optimal connections for walking and cycling around the town too.

The projects combine three primary themes:

- A host of traditional highways improvements and key junctions to improve capacity.
- Technology, looking at capability/capacity to manage traffic through technology elements, including a smart corridor.
- Public realm works in the heart of Bedford.

Each of the three thematic elements are underway and in progress; the technology element is nearly complete with 85% already completed, whilst the pinch-point highways element and public realm elements are 60% and 50% completed respectively.

Impact

Benefits of the projects are anticipated to range from journey time improvements, network capacity improvements, economic and accessibility improvements, with many different facets to it. Benefits closely align with the objectives and are stated to include:

- Improvement in journey times and journey time reliability.
- Increase in transport operating capacity.
- Reduction in town centre vehicle kilometres.
- Reduction in accidents.
- Improvements in the quality of the pedestrian environment.
- Increase in rateable values.

No outputs and impacts can be measured until the programme of works is fully completed. Impacts are likely to be altered somewhat with changes to traffic behaviours due to Covid-19.

There are also a number of social and environmental benefits associated with the scheme including for example accessibility benefits.

Lessons Learned

Overall, the project expressed that the process worked well: from the milestones progress approach to the drawing down of LGF payments; working with Fore Consulting and Hatch Regeneris was also considered to be easy; and the project couldn't have wished for better support from SEMLEP.

A common issue for projects of this nature is a slight change of scope as new opportunities arise. Local Authorities will often bid for new projects that overlap with old ones, and which might alter the original scope of the scheme slightly. It can become difficult to differentiate between the very core of the LGF project as it started, and how it has evolved and grown over time – especially infrastructure projects expanding over wider geographical areas. This evolution and growth can bring more value into the scheme, but this requires more monitoring and the project still needs to be measured against its original business case, even if the scope has changed.

Previously, the project completed annual reviews of their progress against the Business Case, but there is little room to explain any evolution and what that means for the specifics and detail of the project. It is felt that this is inevitable in transport and highways projects, especially those at a Local Authority level.

Catesby Aerodynamic Research Facility

LGF Awarded: £4.2m
Total Project Cost: £21m
Delivery Partner: Total Sim
Project Status: Due to open September/October 2021
Projected Outputs: 226 new jobs by 2025

Background

The Catesby Aerodynamic Research Facility (CARF) is a 1.7 mile long straight and flat former railway tunnel converted to an indoor, fully controllable vehicle testing facility to include wind and simulated weather impact, aerodynamics and emissions. A significant new, global standard test facility enhancing the capability of the UK vehicle industry. A new £4 million Research and Innovation Centre is also being built on the site, with the aim of enabling high-performance technology start-ups and early growth businesses to locate next to the testing facility.



The UK is lacking in road car aerodynamic and acoustic test facilities, and challenges in these areas around low emissions, new legislation and smart/connected vehicles are increasing. Aerodynamic vehicle testing is often a trade-off between reality and repeatability. A wind tunnel is very repeatable but it is only ever an approximation of real-world conditions. Much the same is true of computer aerodynamic simulations. Road testing, on the other hand is subject to variable weather and it is difficult to resolve small improvements. The UK accounts for 10% of EU car production but has no full scale moving ground automotive wind tunnel facility, whereas Germany has 6 and produces 37% of the EU's vehicles.

As well as Local Growth Fund investment, support has also come from Daventry District Council, which acquired the disused tunnel from the Secretary of State for Transport so it could be leased to ARP. ARP will create an operating company comprising 6 people, with Total Sim offering support services. The facility will play host to other businesses who can sell and provide each other with services too.

Impact

The objective of the project is to give the UK a competitive advantage in vehicle testing and technology and to create over 200 knowledge intensive jobs in high performance technology and innovation. The project will deliver a vehicle testing facility with a wide range of applications that service the needs of the automotive, motorsport and other industries. Other unique capabilities include aero-acoustics, soiling, gust stability, emissions, lighting and cooling.

The £12m CARF tunnel provides a stable underground environment in which vehicles can be driven at high speeds to monitor their aerodynamic performance. More accurate and efficient than a wind tunnel, the CARF will be the only testing facility of its kind available for hire and is expected to attract interest from across the world, ranging from cycling and motorsport teams to major vehicle manufacturers.

The Catesby Tunnel project also aims to bring together car manufacturers, motorsport, academia and service/product suppliers around the Catesby test facility by developing the 4.5-acre former station yard as a science park. This cluster around vehicle research and testing will lead to the facility being far more than just an alternative to a wind tunnel, and will generate an opportunity for all to collaborate and innovate around the next generation of low carbon smart and connected vehicles. The project has become increasingly relevant to the sustainability agenda because the tunnel will be able to accommodate electric vehicles for acoustic monitoring and dynamic testing.

The project is contracted to deliver the following quantified impacts:

- 1,828 sqm office space
- 3,275 sqm industrial space
- 8.4 ha brownfield land brought back into use
- 211 direct jobs
- 32 indirect jobs
- £26.7m GVA over LGF programme period / £139m GVA over effective life of project.

Challenges

The project considers its biggest challenge to be its own novelty – nobody has used this type of facility before and therefore it is a new market to develop. The project has presented a number of unique challenges, such as: creating a stabilised base with crash structures at either end; completing ventilation studies; implementing a speed sensor system; and developing an anechoic section that doesn't reflect sound.

In this regard, the project recognises that there is an element of risk in funding the Catesby Tunnel, but that this represents the type of project that should be funded through the Local Growth Fund; one that wouldn't have happened without SEMLEP's investment. The project represents a real market failure opportunity as this type of testing doesn't exist in the UK and the project would not have proceeded without LGF investment.

MK:5G

LGF Awarded: £5.3m
Total Project Cost: £8.7m
Delivery Partner: Milton Keynes Council, Satellite Application Catapult, Connected Places Catapult, The Open University, Huawei, BT, City Fibre, Tech Mahindra, Smart City and Smart Klub.
Project Status: Project approved by the SEMLEP board for 2019/20 and 2020/21 delivery
Projected Outputs: 45 new direct jobs, 200 indirect jobs, 200 SMEs supported, evaluation and monitoring report on the whole project, Base stations, radio masts, data hub servers and associated components installed.

Background

The MK:5G project is an exciting new testbed in the Milton Keynes area, including the deployment of dedicated 5G infrastructure and the creation of a data hub facility. The project will address the low levels of fast broadband connectivity currently experienced in the area, and will support the nationwide demand for 5G investment. Government (via DCMS) is launching its national roll-out strategy, building on the lessons from 3G and 4G. Notably, a reliance on the market is considered to be a failure of 4G roll-out and government and the public sector has been urged to take a more proactive role in 5G. To this end, Milton Keynes Council aims to provide access to the network that benefits Milton Keynes and the surrounding area without relying on a private network provider.

The 5G mobile network is designed exclusively for research and development purposes and will cover central MK including key sites (such as the Stadium, Bletchley & CMK rail stations, Hospital, Universities), key junctions on the M1 and a number of rural communities. The scheme will be delivered by Milton Keynes Council in partnership with a number of private partners.

The testbed is focusing on trialling applications across three core themes: Mobility, Health & Wellbeing, and Energy. Several trials are already planned across each theme and extensive datasets will be stored in the data hub.

The project also features an accelerator programme alongside the deployment of 5G infrastructure; the programme has set SMEs the challenge of working with the technology to develop in their thinking of new products and services around the three core themes. 10 businesses were selected from hundreds of applicants to develop new products with this technology, including one using AI to monitor road surface deterioration, whilst another is developing the capability to remotely monitor patterns of behaviour in health care. The purpose of the accelerator is to scale-up these developments to a more commercial footing.

The project focus has adapted from its initial aim to accelerate and create growth, now incorporating a green recovery and the sustaining of jobs into their directive. The council has identified additional investment to run further accelerator programmes using 5G to develop its ecosystem around high-tech smart tech.

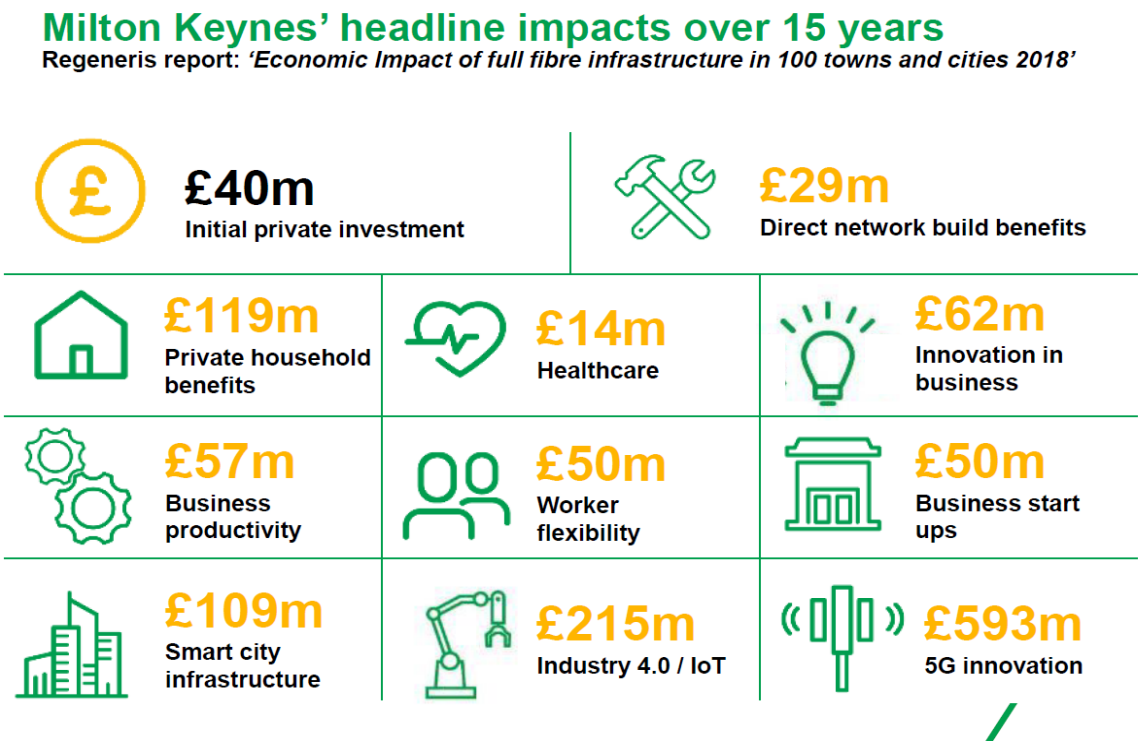
SEMLEP Investment

The SEMLEP investment will be used to build a series of base stations (7) constructed at strategic locations across Milton Keynes. These will be linked to an expanded fibre network and connected to a newly constructed data hub. This investment will facilitate the formation of a cluster of 5G technology SME's, leading to agglomeration benefits and unlocking future growth for the region.

Impact

The project has the potential to make a significant strategic and economic contribution to Milton Keynes which may have lessons for the wider region and UK. Milton Keynes is the only city to have its own privately owned standalone 5G network covering 70% of the city and facilitating a range of ambitious testing. Swift deployment of this 5G technology will allow MK to capture an early adopter advantage, creating a technology cluster around this emerging technology and its applications making the region an attractive investment area for new businesses: growing or creating long term sustainable jobs in the region.

Fifth generation (5G) mobile networks are poised to offer many new capabilities and unlock extensive societal and commercial opportunities. Drawing on research undertaken by independent experts referenced in the DCMS analysis (1) suggest that without 5G, localities will have reduced ability to improve productivity, reduced economic growth and an ability to maintain high skilled and valuable jobs compared to areas with access to 5G connectivity.



Impacts to date include providing access to unique capability for local companies especially the SME community and enhanced reputation for MK and SEMLEP as leading organisations embracing new technology.

In addition, the project has already attracted additional funding into the area – a £2m grant from DCMS to develop some use cases around mobility to test autonomous connected vehicles in Milton Keynes. The vehicles will be deployed at the Stadium live site and the 5G network to monitor and operate them in a test environment. In this instance, the 5G network provides better sensors, security and quality of imagery over a 4G counterpart.

In terms of environmental benefits, the use cases for the project exploration and development of efficient mobility and energy systems management. Social and community benefits include supporting access to efficient healthcare services and testing new methods of diagnosis, supporting efficient community transport and supporting skills development in the education sector.

The MK:5G project is aligned with other LGF projects, and the nature of the scheme encourages spin-off programmes, with Milton Keynes Council as a local authority encouraging such collaboration.

The project has started to develop relationships with other projects involved in the LGF programme. For example, MK:5G are looking at opportunities to work with the Cranfield University Forensic Institute to look at the use of the 5G network for R&D and research into cyber security,

Appendix 9

Economic Impact Analysis

This section outlines the approach taken to quantify the potential wider economic impacts of the LGF funded projects on the SEMLEP economy. The report takes the key outcomes/ outputs that have either been achieved, or are forecast to be achieved through the LGF programme, and calculates their potential wider economic benefits. The calculations consider multipliers, adjust for the leakage of the benefits outside of the SEMLEP area and apply displacement and deadweight factors. The calculations undertaken consider the potential economic impact of:

- New homes built
- New jobs created
- New learners supported
- Additional commercial floorspace
- New apprenticeships created through the projects.

Note, this is only a high-level economic impact, so this study focusses on understanding the impacts of the key outputs. A more detailed study would be needed to fully capture the whole impact of the individual projects.

Economic Impact Summary

1. **Estimated economic benefits achieved in the SEM area to date as a result of LGF Investment:**
   - **Additional Spend in the Local Economy in the SEM area by New Households:** circa £25m per annum.
   - **Jobs GVA:** an additional circa £173m increase in GVA per annum.
   - **Learners Economic Benefits:** 5,523 learners have been trained/are in training to date. When they have completed their training, it is estimated that as a result of increased income, there could be an additional £5.9m spending locally per annum.
   - **Commercial Floorspace:** to date the LGF investment has created sufficient floorspace to accommodate circa 3,500 employees.
   - **Apprentices:** 484 apprentices have started their training to date. When they have completed their apprenticeships, it is estimated that they will have the potential to increase productivity by circa £3.8m for the SEM economy per annum.
   - **Research and Development:** £5m of private sector R&D.

2. **Potential economic benefits to be achieved in the SEM area by 2030 as a result of LGF the Investment:**
   - **Additional Spend in the Local Economy in the SEM area by New Households:** potential £186m per annum.
   - **Jobs GVA:** a potential additional £656m increase in GVA per annum.
   - **Learners Economic Benefits:** 8,989 learners will have been trained/be in training by 2030. When they have completed their training, it is estimated that as a result of increased income, there could be an additional circa £8.5m spending locally per annum.
   - **Commercial Floorspace:** by 2030, the LGF investment is forecast to have created sufficient floorspace to accommodate nearly 4,000 employees.
   - **Apprentices:** By 2030, 1363 apprentices are forecast to have started their training. When they have completed their apprenticeships, it is estimated that they will have the potential to increase productivity by circa £9.5m for the SEMLEP economy per annum.
   - **Research and Development:** £27m of private sector R&D.

1.0 Economic Impact Assessment Principles

1.1 Key Features of the Economic Impact Assessment

The key principles/ features used in this economic impact assessment are shown below. We have also included a glossary of the terminology used.

The approach taken is rooted in HM Treasury 'Green Book' methodology, using a mix of relevant technical guidance, and judgements, primary data or standard assumptions for key economic factors. When using data sources to inform calculations we have applied the following approach:

- Use of primary sources where possible
- Where possible use of data from the project team
- Where primary data is not available, we have used standard assumptions, evidence from national reports and recognised industry data.

1.2 Economic Impact Terminology Used in the Calculations – Glossary

The research undertaken has been designed to estimate the total effect of the suite of projects listed in previous sections and funded by SEMLEP. This means considering a wide range of consequential or induced effects as well as the immediate effects. These are explained below.

- **Multiplier effects**: The further economic activity (jobs, expenditure or income) that is associated with additional local income, local supplier purchases and longer-term effects of the intervention.
  - **Indirect Multiplier:** The effects of purchases made as a result of the intervention and further purchases associated with linked firms along the supply chain.
  - **Induced Multiplier**: The effects associated with local expenditure as a result of those who derive incomes from the supply linkage impacts of the project.
- **Deadweight**: The outputs that would have occurred without the intervention.
- **Displacement**: The proportion of intervention outputs accounted for by reduced outputs elsewhere in the target area.
- **Leakage**: The proportion of outputs that benefit those outside of the intervention's target area or group.

As this is only a high-level economic impact we have, in general, used the following standard benchmarks when calculating multipliers, leakage, deadweight and displacement. This said we have made adjustments in places to account for local conditions where appropriate. These decisions have been justified in the analysis. Where benchmark figures are used and as appropriate, these have been adjusted for inflation and discounted to give a relevant 2021 and 2030 benchmark.

- **GVA Multipliers:** The Scottish Office publish a list of GVA multipliers per SIC code. The average GVA multiplier across all sectors of the economy is that for every £1 of direct GVA created by businesses there is £1.65 of direct, indirect and induced GVA.

- **Employment Multipliers:** The What Works Centre for Local Economic Growth suggest the following employment multipliers:
  - *Additional jobs in the tradable sector tend to increase employment in the non-tradable sector (e.g., local shops and restaurants). The average local multiplier is close to one: for each additional job in the tradable sector, 0.9 jobs are created in the non-tradable sector.*
  - *The impact of additional jobs in the tradable sector on other tradable jobs is smaller: an additional job in the tradable sector creates, on average, 0.4 jobs in other parts of the tradable sector.*

Based on the above we have assumed that for every direct job created there are 2.3 direct, indirect and induced jobs (1 direct job = 1 direct job plus 0.9 non-tradable jobs and 0.4 tradable jobs).

- **Deadweight:** The Homes and Communities Agency Additionality Guidance 2014, provides a series of ready reckoners for deadweight. Guidance indicates an average deadweight factor across intervention types of 24%.

- **Leakage:** The Homes and Communities Agency Additionality Guidance 2014, provides a series of ready reckoners for Leakage. Guidance suggests that where a reasonably high proportion of the benefits will be retained within the target area, a factor of 25% should be applied.

- **Displacement:** This is variable depending on the nature of the outputs. Assumptions have been made for each case and the justification included.

Geography - The economic impact calculations have been designed to capture the impact of the programme on the SEMLEP geographic area.

Limitations of Economic Impact Assessments - It is important to recognise that there are limitations to any economic impact assessment. These are noted below:

- The findings are reliant on the robustness of the 'base case' and the quality of the data available – in this instance the quality of data reported by the projects and recorded by SEMLEP.
- There is an inability to count non-quantifiable economic benefits that have value to individuals or organisations (e.g. quality of life improvements and profile raising).

Not discounting all of the above it must be noted that the approach taken is cost effective, comparable and is built on economic convention. The economic impact calculations for the LGF investment are shown over the following pages.

2.0 New Homes

The table below summarises the numbers of new homes that have been built to date as a result of the LGF grant funding for the projects included in this evaluation. In addition, it shows the number of new homes that the projects are forecasting they will have built by 2030.

New Homes Resulting from LGF Funding		
Project	**New Housing Units - Achieved to Date**	**New Housing - Expected to be Achieved by 2030**
New Homes Total	4,692	39,676

There are a number of economic benefits that these new homes will have for the local economy, including: increased spend in local shops and restaurants resulting from the population increases, increased council tax revenue for the local authority and construction jobs created as a result of the investment. In terms of spend from new residents, it is recognised that some people will have moved into new homes from elsewhere in the SEMLEP area and therefore the spend it misplaced. This is accounted for in the calculations. 106 contributions also bring an economic contribution in terms of additional spend in the economy, typically on new and improved schools. £45m is invested in open space, community, sport and leisure facilities.

The economic benefits of house building were quantified in the July 2018 report – The Economic Footprint of House Building in England and Wales. The report was prepared by The Home Builders Federation (HBF) and Lichfields and can be found at the following link – https://lichfields.uk/media/4313/the-economic-footprint-of-uk-house-building.pdf

Note: HBF is the representative body of the home building industry in England and Wales; their members' account for 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multinational, household names through regionally based businesses to small local companies. Lichfields is a planning and development consultancy in the UK.

The report highlights that in 2016/17 the house building industry in England and Wales built around 224,000 new homes. The report goes on to calculate the economic footprint of this investment.

This national data has been factored down, allowing us to understand the potential impact that the new houses supported through LGF funding could have on the local SEMLEP economy.

Economic Benefits from Houses Being Built as a Result of LGF Funding (Excluding Multiplier, Leakage, Deadweight and Displacement Unless Specified)						
Base Data Source - The Economic Footprint of House Building in England and Wales			**Economic Impact of New Homes Resulting from LGF Funding - Pro-rated figures from National Numbers**			
Area of Impact	Total Economic Impact for the 224,054 homes built in England and Wales in 2016/17	Average Impact per individual home built	Already built		Forecast to be built by 2030	
Increase in Spend in Shops and Services	It is estimated that residents of the 224,054 net additional homes built across England and Wales in 2016/17 generated £5.9 billion[1] of spending over the course of the year. This equates to an average of £26,333 average spend generated per household per year. [2]Based on data from the ONS Family Spending Survey 2018 which showed that households across England and Wales spent an average of £503 a week in 2017	The Office of National Statistics show that wages in SEMLEP (£582.80) are marginally lower than the national average (£589.80). We have therefore assumed average spend per household per year is 99% of the national average. Assumed spend per household of £25,894.	Houses built to date x	4,692	Houses forecast to be built by 2030 x	39,676
			Spend per household per year (taking account of inflation and discounted to 2021) =	£24,000	Spend per household per year (taking account of inflation and discounted to 2030) =	£21,000
			Spend generated in economy per year home	£112,608,000	Spend generated in economy per year per home	£833,196,000
Jobs	The scale of employment supported by house building is equivalent to between 2.4 and 3.1 direct, indirect and induced jobs per new permanent dwelling built. Jobs are for one year. Based on a total of 224,054 net additional dwellings completed in 2016/2017 in England and Wales	Assume 3.1 jobs created (year-long) per new home	Houses built to date x	4,692	Houses forecast to be built by 2030 x	39,676
			Jobs created (year) per new home =	3.1	Jobs created (year) per new home =	3.1
			Year-long equivalent jobs	14,545	Year-long equivalent jobs	122,996

Economic Benefits from Houses Being Built as a Result of LGF Funding (Excluding Multiplier, Leakage, Deadweight and Displacement Unless Specified)						
Base Data Source - The Economic Footprint of House Building in England and Wales			**Economic Impact of New Homes Resulting from LGF Funding - Pro-rated figures from National Numbers**			
Area of Impact	Total Economic Impact for the 224,054 homes built in England and Wales in 2016/17	Average Impact per individual home built	Already built		Forecast to be built by 2030	
Section 106	Based on a survey of houses it is possible to estimate that £841m of Section 106 contributions are made each year. Of this, £122m is spend on new and improved schools. £45m is invested in open space, community, sport and leisure facilities.	£167m spent on new and improved schools, open space, sport and leisure facilities / 224,054 new houses = £745 per new home	Houses built to date x	4,692	Houses forecast to be built by 2030 x	39,676
			Average contribution per new home (taking account of inflation and discounted to 2021)	£700	Average contribution per new home (home (taking account of inflation and discounted to 2030)	£615
			=	£3,284,400	=	£24,400,740
Section 106 of the Town and County Planning Act 1990 provides a tool for securing investment in essential infrastructure arising from development and this contribution can be used by local authorities to fund new services and infrastructure in the local area.						

[1] As defined by SIC sub-sector code 41:202 Construction of domestic buildings, using a proxy based on BRES 2016.
[2] ONS Annual Business Survey 2016 Provisional Results; this figure does not include the full extent of house building supply chains.

Economic Benefits from Houses Being Built as a Result of LGF Funding						
Area of Impact	**Multiplier**	**Leakage**	**Deadweight**	**Displacement**	**Total**	
Increase in Spend in Local Shops and Services per annum	Standard GVA Multiplier of 1:1.65	Assume significant leakage from area. 30% of spend stays in SEMLEP area.	Without the intervention only limited houses would have been built in these areas. 90% of benefits additional.	Assume 50% of houses would have been built elsewhere in the target area or are lived in by people already living in the area relocating.	**New Homes Already Built:**	4,692
					Total spend from households in new homes	£112,608,000
					Potential total impact for SEMLEP area per annum after factors applied	£25,083,432
					Forecast to be built by 2030:	39,676
					Total spend from households in new homes by 2030	£833,196,000
					Potential total impact for SEMLEP area per annum after factors applied	£185,594,409
Construction Jobs - year long jobs	N/A multipliers already accounted for	Significant jobs lost to the area - say 50%	Without the intervention only limited houses would have been built in these areas. 90% of benefits additional.	Assume 50% of houses would have been built elsewhere in the target area or are lived in by people already living in the area relocating.	**New Homes Already Built:**	4,692
					Total jobs created as a result of new homes	14,545
					Potential total impact for SEMLEP area per annum after factors applied	3,273
					Forecast to be built by 2030:	39,676
					Total jobs created as a result of new homes	122,996
					Potential total impact for SEMLEP area per annum after factors applied	27,674
Section 106 – one off benefit	N/A	No Leakage - all houses built in SEMLEP area, therefore all revenue for SEMLEP	Without the intervention only limited houses would have been built in these areas. 90% of benefits additional.	Assume 50% of houses would have been built elsewhere in the target area.	**New Homes Already Built:**	4,692
					Total Section 106 contributions relating from households	£3,284,400
					Potential total impact for SEMLEP area per annum after factors applied	£1,477,980
					Forecast to be built by 2030:	39,676
					Total Section 106 contributions relating from households	£24,400,740
					Potential total impact for SEMLEP area per annum after factors applied	£10,980,333

Summary – Economic Impact of New Homes to the SEMLEP Economy

The 4,692 new homes that have already been built as a result of the LGF funding, once displacement, leakage, multiplier effects and deadweight have been considered, have the potential to create the following for the local SEMLEP economy:

- Additional spend in local shops and services per annum: £25.08m
- Total jobs created resulting from the housebuilding will be 3,273 year-long jobs
- Potential additional Section 106 contributions for schools and leisure facilities: £1.48m (one off).

By 2030 it is anticipated that 39,676 houses will have been built (inclusive of the 4,692 built to date). Once displacement, leakage, multiplier effects and deadweight have been considered these new houses have the potential to create the following for the local SEMLEP economy:

- Additional spend in local shops and services per annum: £185.59m
- Total jobs created resulting from the housebuilding will be 27,674 year-long jobs
- Potential additional Section 106 contributions for schools and leisure facilities: £10.98m (one off).

3.0 New Jobs Created

A review of data from the projects supported through the LGF grants shows that many of the projects supported have achieved or are forecasting to create new jobs as a result of the investment.

Jobs		
Outputs	**Achieved to Date**	**Expected to be achieved by 2030 (including actuals)**
Jobs Total	5,529	21,016

To understand the wider economic benefits of the jobs created the following factors have been applied:

Jobs Created - Economic Impact Applying Multipliers, Leakage, Displacement and Deadweight	
Deadweight - i.e. what would have happened anyway	Without the intervention only limited projects would have been developed: 90% of employment benefits are additional
Multiplier - (indirect and induced spend in the local economy	Use standard Employment Multiplier 1 job creates 2.3 direct, indirect and induced jobs
Displacement - reduction in outputs elsewhere	These are new jobs, therefore limited displacement. Assume 80% of benefits are for the area
Leakage - how much of the benefit leaks out of the area.	Assume 50% of jobs lost from the area – higher than the standard benchmark but local knowledge suggests significant numbers of supply chain jobs maybe outside of the area.
Total Combined Factor	0.828

These factors have been applied to generate the figures below:

New Jobs Already Created: 5,529

- Potential total impact for SEMLEP area per annum after leakage, multipliers, displacement and deadweight: (5,529 x 0.828) = **4,578 jobs**

Forecast Jobs to be Created by 2030: 21,016

- Potential total impact for SEMLEP area per annum after leakage, multipliers, displacement and deadweight: (21,016 x 0.828) **= 17,401 jobs**

Using the number of jobs created it is possible to calculate the GVA impact of these on the SEMLEP economy.

We have used data from the SEMLEP Strategic Economic Plan (2017) Evidence Base which notes that GVA per employee in SEMLEP is estimated to be at £37,700, which places South East Midlands 8th out of all 39 LEP areas. This is assumed to be a reasonable average across the period of the programme.

Economic Impact of Jobs Created per Annum on SEMLEP Economy				
Productivity Measure	**GVA Impact of Employment**			
	GVA of jobs already created		**GVA of jobs forecast to be delivered by 2030**	
The average GVA per employee per annum is £37,700	Jobs x	4,578	Jobs x	17,401
	Average GVA per employee per annum	£37,700	Average GVA per employee per annum	£37,700
	= Increase in GVA	£172,590,600	= Increase in GVA	£656,017,700

Summary – Economic Impact of Additional Employment in the SEMLEP Economy

- The potential total impact for SEMLEP area of jobs created to date as a result of the LGF investment, after leakage, multipliers, displacement and deadweight have been attributed is 4,578 jobs. Assuming these are permanent jobs, these workers could create an additional £172.59m increase in GVA per annum for the area.

- The potential total impact for the SEMLEP area of jobs predicted to be created by 2030 after leakage, multipliers, displacement and deadweight have been attributed is 17,401 jobs. Assuming these are permanent jobs, these workers could create an additional £656.02m increase in GVA per annum for the area.

4.0 Learners

The creation and refurbishment of new learning spaces will enable the numbers of training opportunities delivered in the SEMLEP area to increase. The table below summarises the numbers of learners that have been supported in the new learning spaces/ learning provision or are forecast to be achieved by 2030.

Learners Resulting from SEMLEP LGF Investment	
Already achieved	**Forecast to be achieved 2030**
5,523	8,989

A higher skilled pool of workers will have significant benefits for both the learner and the local economy, for example, the 2011 BIS report: Returns to Intermediate and Low-Level Vocational Qualifications, considers the lifetime benefits of training to the individual undertaking the training, considering the impact on their earnings, hours worked and employment chances and translating this into total estimated benefit. This states: *The net present value of the lifetime benefit associated with Level 3 vocational qualifications stands at between £37,000 (for NVQ Level 3, under most pessimistic assumptions) and approximately £89,000 (for BTEC Level 3 qualifications, under most optimistic assumptions). For Level 2 qualifications, the lifetime benefits range between £35,000 and £57,000 (for BTEC qualifications) and between £42,000 and £71,000 (for City & Guilds qualifications). The net benefit associated with NVQ Level 2 qualifications is slightly lower and stands at between £18,000 and £42,000, primarily due to the employment impact.*

Whilst not all of the qualifications supported are NVQ 2 or 3 we can use this information as a benchmark to give an approximation of the economic benefits achieved by LGF funding for learning. These benefits are the additional impact on earnings, hours worked and employment chances for the individual learners supported and represent an economic impact to those learners within the SEMLEP area. We have taken the midpoint NVQ level 3 lifetime benefits and applied this across the board to all learners, *(note, some learners may only achieve level 2 and some may achieve higher than level 3 so we have taken level 3 as the midpoint).* Using the mid-point of the level 3 qualifications and account of inflation and discounting from 2011 to 2021 then 2030 we can assume that each new learner has an associated lifetime benefit of £54,000 in 2021 and £48,000 in 2030. Much of this additional benefit/income will be spent in the local economy, in local shops and services. The potential increased spend has been calculated:

Economic Impact of Learners Resulting from LGF Investment – Lifetime Benefits				
Productivity Measure	**Benefits of New Learners**			
	Benefits of New Learners already created		**Benefits of New Learners forecast to be delivered by 2030**	
Assumed lifetime benefit from learning = £63,000 per learner	New Learners x	5,523	New Learners x	8,989
	Assumed lifetime benefit	£54,000	Assumed lifetime benefit	£48,000
	=	£298,242,000	=	£431,472,000

Now we understand the wider economic impact for the learners we need to understand how much benefit is realised for the SEMLEP area – the target area, through additional local spending. This is done by applying the factors shown in the table below:

New Learners Economic Impact - Applying Multipliers, Leakage, Displacement and Deadweight		
Current Position	**Total Benefit**	**Factor**
Deadweight – counterfactual/ baseline positions	N/A	N/A
Multiplier - indirect and induced spend in the local economy	Use standard multiplier	Multiplier - 1:1.65
Displacement – reduction in outputs elsewhere	N/A	N/A
Leakage - how much of the benefit leak out of the area.	High leakage – some money saved/spent outside of the local area	60% stays in area

Learning Already Commenced:

- Total increase in benefit from training for learners = £298.24 million
- Potential total increased spend for SEMLEP area after leakage, multipliers, displacement and deadweight = £298,242,000 x 1.65 x 0.6 = £295,259,580
- If we assume this is over a 50-year period, this equates to an additional local spend of £5.91 million per annum.

Learning Undertaken by 2030:

- Total increase in benefit from training from learners = £431.47 million
- Potential total increased spend for SEMLEP area after leakage, multipliers, displacement and deadweight = £427,157,280
- If we assume this is over a 50-year period, we can assume that this equates to an additional local spend of £8.54 million per annum.

Summary - Economic Impact of Learning to the SEMLEP Economy

- 5,523 learners have been trained/ are in training to date. When they have completed their training, it is estimated that as a result of increased wages there could be an additional £5.91 million per annum spent locally.
- 8,989 learners will be trained/ be in training by 2030. When they have completed their training, it is estimated that as a result of increased wages there could be an additional £8.54 million per annum spent locally.

5.0 Additional Office Accommodation / Commercial Floor Space Created

A number of the projects supported through the programme are creating additional commercial floor space. Job creation is a key driver for the SEMLEP, so it is useful to understand the numbers of employees who could be housed within this new floorspace.

The table below shows the total floorspace created to date through the grant funding, and the estimated floorspace to be created in the future.

Additional Office Accommodation/ Commercial Floor Space Created – Potential for Inward Investment (Gross m2)	
Already Built	**Forecast to be built by 2030**
170,679m²	183,377m²

OFFPAT and the Homes and Communities Agency created an Employment Densities Guide in 2010. The purpose of the guide is to assist appraisers in the estimation of employment generated by property development based on 'employment density' ratios. Ratios are generally expressed as the number of square metres per employee.

The Guide is intended to be used in planning, appraising and evaluating economic development and regeneration programmes and projects. Employment density refers to the average floorspace (in m²) per Full-Time Equivalent (FTE) member of staff. It is used as a measure of intensity of building use and an indicator of how much space each person occupies within the workplace.

This guide can be used to estimate the number of workers who can be accommodated in the new commercial floorspace supported through the LGF grants. The table below is an excerpt from the report showing the different employment densities for different types of uses.

Employment Density for New Commercial Floor Space				
Use Class	**Use Type**	**Area per FTE (m2)**	**Floor Area Basis**	**Comment on potential variation**
B1(a)	General Office	12	NIA	Includes corporate, professional services, public sector, TMT, finance and insurance
B1(b)	R&D Space	50	NIA	Lower densities will be achieved in units with higher provision of shared or communal spaces. Range of 40-60.
B1(c)	Light Industrial	47	NIA	A Blended rate of the above B1(a) uses where they are found in out of town business park locations
B2	Industrial and Manufacturing	36	GIA *Assume 30 for NIA*	Densities within separately let units are c.7 m² per workstation but 30% of a facility's total NIA

Employment Density for New Commercial Floor Space				
Use Class	**Use Type**	**Area per FTE (m2)**	**Floor Area Basis**	**Comment on potential variation**
				for shared services reduces the overall density.
B8	Storage and Distribution	81	GEA *Assume 65 for NIA*	Gross External Area; Offpat guidance suggests NIA is typically 20% lower than GEA.
Mixed B	Small Business Workspace	29	NIA	Includes incubators, maker spaces, studio. Co-working and managed workspace. Range of 10-60.
A1	Retail	17.5 / 90 *Midpoint of 53.75*	NIA	Includes high street, foodstore and retail warehouse. Range from 17.5 (high street, foodstore) to 90 (retail warehouse).
A3	Restaurants and Cafes	17.5	NIA	

If we assume that there will be a mix of office, R&D, light industrial, industrial and manufacturing, storage and distribution, small business workspace, financial and professional services and retail/café accommodation within the new commercial floorspace, and take an average NIA of the various types of uses we can assume that the average area per FTE (sqm) is 38m² of net internal area.

We have assumed that the floorspaces to be created are reported as gross space. We must therefore convert our floorspace figures into Net Internal Area, as this us the unit used in the guide (with the exception of industrial/ manufacturing). Offpat guidance suggests that gross internal area is generally 15%-20% higher than net internal area. We have assumed in the table below that Net Internal Area is 80% of the Gross Internal Area.

Commercial Floorspace Related Occupancy				
Floorspace	**Gross Internal Area**	**Net Internal Area (80%)**	**Average space needed per worker (sqm)**	**Total numbers of workspace that office accommodation is provided for**
Already built	170,679	136,543	38	3,593
Forecast to be built by 2030	183,377	146,702	38	3,861

As this is simply a straightforward calculation detailing the capacity of the floorspace that has been built, no factors (leakage, multipliers, deadweight or displacement) have been applied.

Summary – Commercial Floorspace

- To date the project has created sufficient floorspace to hold circa 3,593 workers.
- It is anticipated that by 2030 sufficient floorspace will have been built to accommodate 3,861 workers.

6.0 Apprentices

The creation and refurbishment of new learning spaces and innovation centres will enable the numbers of training opportunities and apprenticeships delivered in the SEMLEP area to increase.

The table below summarises the numbers of apprentice starts that have been supported in the new learning spaces. In addition, it shows the number of apprentice starts that the projects are forecasting they will have supported by 2030.

Apprentice Starts Resulting from LGF Investment	
Already started	**Forecast to be started by 2030**
484	1,363

These apprentice starts will have significant benefits for local residents and the local economy. A recent City and Guilds report – 'The economic benefits of vocational education and training in the UK' highlights that individuals typically earn more after undergoing vocational training. According to analysis by the Cebr, the gains for a level 3 qualification or apprenticeship can be as much as a 20% increase in average wages and a 14% increase in employment prospects.

The report notes that apprenticeships have an economic return of £16-£21 for every £1 of government funding. It also highlights that in the near future, the importance of vocational training for the economy may rise as demographic shifts and technological advances affect the industrial landscape. The full report can be found at the following link:
https://www.cityandguildsgroup.com/~/media/cgg%20website/documents/cggroupuk%20pdf.ashx

The Economic Impact of Apprenticeships - A Cebr report for the Skills Funding Agency published in November 2014 noted that apprenticeships are boosting productivity by enabling businesses to grow their skills base. The average Apprenticeship completer increases business productivity by £214 per week leading to increased profits, lower prices, better products and higher wages. The full report can be found at the following link:
https://www.cebr.com/wp-content/uploads/2015/08/Economic-impact-of-apprenticeships.pdf.

This data has been used to calculate the economic benefits of the apprentices supported through the LGF funding, taking account of inflation and then benefits discounted.

Economic Impact of Apprentices			
Data Source: The Economic Impact of Apprenticeships		**Economic Impact of Apprentices Resulting from LGF Funding**	
Productivity Measure	Average impact per apprentice per year	Apprenticeships already delivered	Apprenticeships forecast to be delivered by 2030
The average apprenticeship completer increases	Per year this equates to: £214 X 52 weeks = £11,128 increase in	484 x £10,000 (taking account of inflation	1,363 x £8,800 (taking account of inflation

Economic Impact of Apprentices			
Data Source: The Economic Impact of Apprenticeships		**Economic Impact of Apprentices Resulting from LGF Funding**	
business productivity by £214 per week	productivity per annum per completed apprenticeship	and discounted to 2021)	and discounted to 2030)
		£4,840,000	£11,994,400

Now we understand the wider economic impact of the new apprentices we need to understand how much benefit is realised for the SEMLEP area – the target area.

Apprenticeships Economic Impact - Applying Multipliers, Leakage, Displacement and Deadweight		
Current Position	**Total benefit**	**Factor**
Deadweight - what would have happened anyway	Very small deadweight as unlikely that training of this nature would have been provided without the LGF grant	80% of impact as a result of project
Multiplier - indirect and induced spend in the local economy	Use standard GVA multiplier	Multiplier - 1:1.65
Displacement – reduction in outputs elsewhere	No other similar facility to compete with in the area - therefore small displacement factor	80% of benefits are specific to the projects
Leakage - how much of the benefit leak out of the area.	HCA Standard Leakage	75% stays in area
Apprenticeships Already Commenced: 0.792 • Total increase in productivity for each apprentice completer per annum = £4,840,000 • Potential total impact for SEMLEP area per annum after leakage, multipliers, displacement and deadweight = £3,833,280 **Apprenticeships to have commenced by 2030**: • Total increase in productivity for each apprentice completer by 2030: £11,994,400 • Potential total impact for SEMLEP area per annum after leakage, multipliers, displacement and deadweight = £9,499,565.		
Source: GVA Multipliers: The Scottish Office publish a list of GVA multipliers per SIC code. The average GVA multiplier across all sectors is 1:1.65. Leakage: HCA standard Leakage of 25%		

Summary – Apprentices

- 484 apprentices have started their training to date. When they have completed their apprenticeships, it is estimated that they will have the potential to increase productivity by £3,833,280 for the SEMLEP economy per annum.
- By 2030, 1363 apprentices are forecast to have started their training. When they have completed their apprenticeships, it is estimated that they will have the potential to increase productivity by £9,499,565 for the SEMLEP economy per annum.

7.0 Research and Development

Analysis of the projects funded through the SEM LGF Programme shows that there has been significant investment in projects to support private sector R&D. These include MAHLE Powertrain – road to zero vehicle testing facility, National Hydroponics Demonstrator and Skills Centre and Catesby Aerodynamic Research Facility. In total, there has been £24,984,002 of LGF investment in private sector led project predominantly focused on R&D.

BEIS Research Paper 'The relationship between public and private R&D funding' completed by Oxford Economics and published in November 2020 identifies that a 1 percent increase in public R&D expenditure increases private R&D by between 0.23 percent and 0.38 percent within the same year. By combining this finding with information on levels of public and private R&D support the report estimates the monetary impact of this leverage effect and found that each £1 of public R&D stimulates between £0.41 and £0.74 of private R&D within the same year. The analysis also suggests that the long-run impact of public R&D on private R&D is more than three times the short-run impact. The long-run leverage rate is estimated to be between 1.01 and 1.32, suggesting that each £1 of public R&D expenditure eventually stimulates between £1.96 and £2.34 of private R&D. A deadweight factor of 45.5%, taken from the HCA additionality guide for regional projects focused on business development to take account of activity that may have happened anyway or realised directly through the LGF project rather than being additional.

LGF Spend to date on private sector led R&D projects	£23,870,790
Short run impact	£0.41 of private R&D for every £1 of public investment
Total estimated additional private sector R&D to date (£23,870,790 x 0.41)	£9,787,024
Deadweight applied at 45.5%, therefore 54.5% of benefits are attributable	£5,333,928

Total LGF spend on private sector led R&D projects	£24,984,002
Long run impact	£1.96 of private R&D for every £1 of public investment
Total estimated additional private sector R&D to date (£24,984,002x 1.96)	£48,968,644
Deadweight applied at 45.5%, therefore 54.5% of benefits are attributable	£26,687,911

Therefore, if we assume If we assume the 'short run' impact of £0.41 of private R&D for every £1 of public investment for LGF expenditure to date and the 'long run' impact of £1.96 for every £1 of LGF expenditure by the end of the programme, this gives an additional economic benefit for the region of £5,333,928 to date and £26,687,911 by the end of programme and all outcomes have been delivered.