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Meeting & Date:	Joint Strategic Economic Committee Meeting – Thursday, 15 December 2016		
Subject:	LGF Finance Summary		
Attachments:	None		
Author:	Ian Durston Supported by Leanne Sykes	Total no of sheets: (inc cover sheet)	5

Papers are provided for:	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
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Summary & Recommendation:

Summary

This paper summarises the current financial status across the various streams of LGF funding and explains the approach with regards to dealing with the variances in actual spend against the baseline grant issued by Central Government.

The SWLEP Board approved in principal the approach outlined in this paper.

LGF Finance Summary

I. LGF

The following projects fit into this category

Growth Deal Round 1

- A350 Chippenham Bypass Dualling (Bumpers Farm)
- A350 Chippenham Bypass Dualling (Badger, Brook and Chequers)
- A429 Access Improvements (Malmesbury)
- LSTF Sustainable Transport (Swindon)
- M4 Junction 15 Improvements
- M4 Junction 16 Improvements
- Porton Science Park
- Swindon Rapid Transit

Growth Deal Round 2

- Mansion House (Corsham)
- M4 Junction 17 Improvements
- Swindon Bus Exchange
- Yarnbrook West Ashton Relief Road

Figure I shows the position of total cumulative spend against the total cumulative grant.

For spend, 15/16 figures are actuals and 16/17 figures onwards are projected.

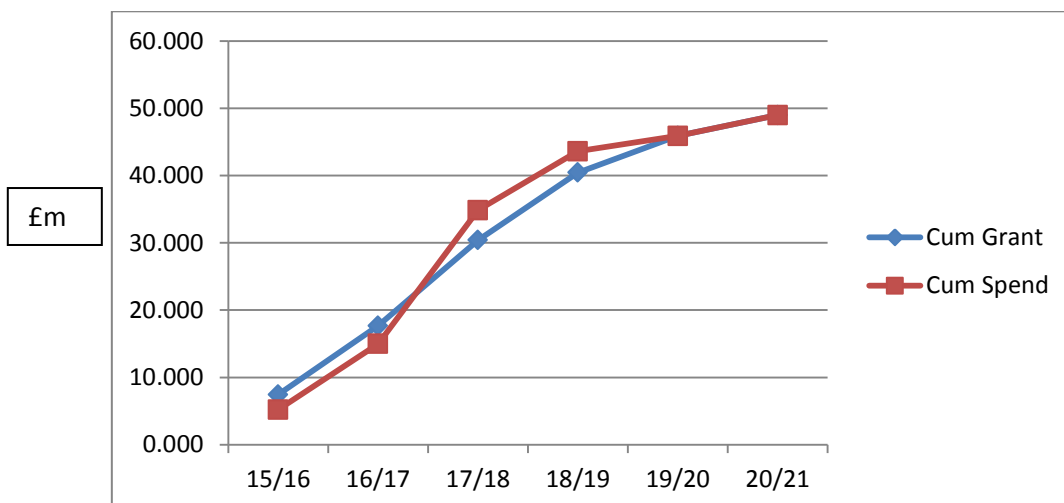


Figure I

In 15/16, there was an underspend of £1.619m. This was mainly due to the delays to Porton Science Park while ESIF funding was agreed. We do not lose this money as BEIS effectively allow us to carry it over to the next year by badging spend against Wiltshire Council Capital projects to show full grant spend and then releasing the money back to LGF the following year.

In 16/17, there is still expected to be an underspend at the end of the year of £2.685m. This is due to further delays with the spend on Porton Science Park (though construction has now started on this project) and delays to the Corsham Mansion House project.

In 17/18 and 18/19 however, we are forecasting overspends by the end of each year of 4.442m and £3.177m respectively. This is due to the acceleration of the A350 Chippenham Bypass Dualling (Badger, Brook and Chequers) project and the M4 Junction 17 Improvements project. Also the Swindon Bus Exchange project is estimating to spend earlier than expected, though this project is currently suffering delays due to CPO issues.

Wiltshire Council have recently agreed to cash flow the A350 and Junction 17 projects, which addresses the majority of this overspend, resulting in the graph in Figure 2:

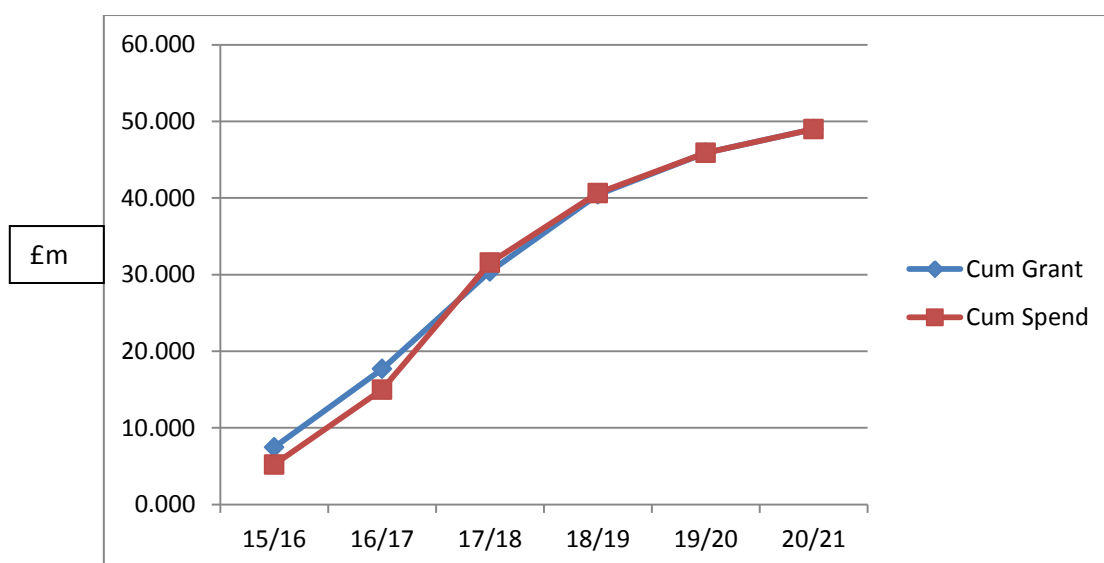


Figure 2

The remaining £1.15m overspend in 17/18 could be addressed by similar cash-flowing being carried out for the Swindon Bus Exchange by Swindon Borough Council – this is still in discussion but is expected to be feasible.

2. LGF – DfT Projects

The following New Eastern Villages projects, while LGF projects, are funded by DfT with separate funding conditions, so are accounted for separately:

- NEV – Greenbridge Roundabout
- NEV – West Of A419 (Package 2)
- NEV – Geat Stall Bridge
- NEV – A420 Gablecross

Figure 3 shows the spend profile for this fund:

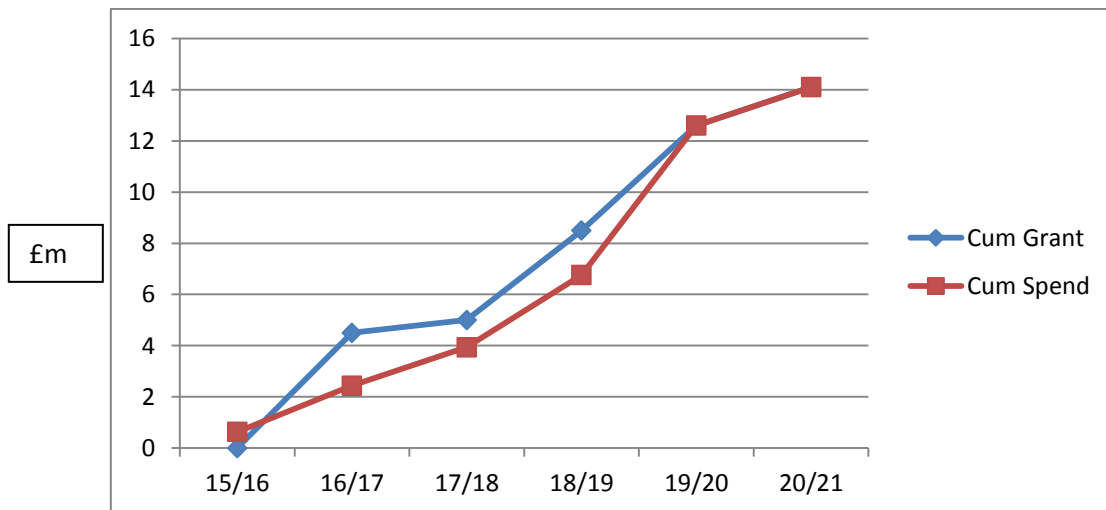


Figure 3

The underspends in 16/17 and 17/18 are due to slippages to the A420 Gablecross project and in 18/19 due to a change in spend profile to the Great Stall Bridge project. Discussions will be held shortly with DfT to explain this and arrange for the grant profile to be changed accordingly.

3. DfT Retained Projects

The following projects have been retained by the DfT which require project status reporting as well as them controlling the grant payments:

- NEV – Business Case
- NEV – Southern Connector Rd
- NEV – White Hart Junction
- Chippenham Station Hub
- Whichelstowe Western Access

Figure 4 shows the spend profile for this fund:

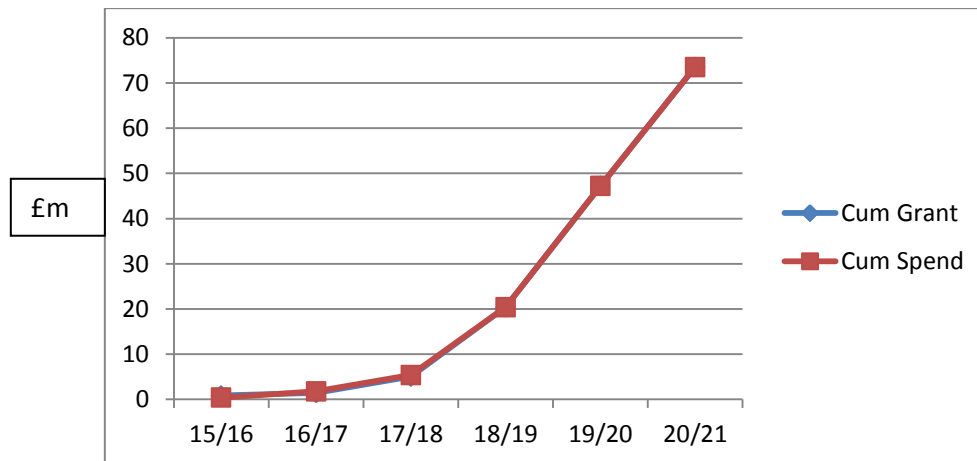


Figure 4

While there has been some delay in spending in 15/16, this has been communicated to and agreed with DfT and future spending is to the grant profile.

4. Recommendation

A more detailed paper will be presented to the SWLEP Board in January 2017, but the Board approved in principal the approach outlined in this paper.