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Meeting & Date:	Joint Strategic Economic Committee – Tuesday, 14 February 2017		
Subject:	LGF Finance Summary		
Attachments:	None		
Author:	Ian Durston	Total no of sheets: (inc cover sheet)	11

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

Recommendation

The paper was submitted to the SWELP Board on 25 January 2017 and the outlined approach to managing LGF profiling was approved.

The Joint Strategic Economic Committee is asked to endorse the Board decision.

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 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

Substituted Projects (for M4 Junction 15)

- Salisbury Plain Heritage Centre
- Swindon Museum and Art Gallery
- Ultra Fast Broadband

Table I shows the current Forecast Spend Profile for each project and the corresponding actual spend to date. At the bottom of the table is the total of all the project lines, plus the profile of the grant that we receive from BEIS (shown in the 'pink' line). These total lines are shown graphically in Figure 1a.

Figure 1b also shows the position of total cumulative spend against the total cumulative grant.

In 15/16, there was an underspend of £2,250,800. 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 allows us to carry it over to the next year.

In 16/17, assuming that all projects spend as they are forecasting, there will be a further underspend of £715,848, resulting in a total cumulative underspend at the end of the year of £2,966,648. 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. Again, this money can be carried over to the next year. It should be noted,

however, that the actual spend to date in 16/17 is below the amount that the projects have been forecasting. There is a risk, therefore, that the cumulative underspend will be higher than the £2,966,648 currently forecast.

From 17/18, it is forecast for spend to have caught up with the grant profile and for this to continue to the end of the grant period (2021). In order for this to be the case, Wiltshire Council has agreed to cash flow the A350 Chippenham Bypass Dualling and Junction 17 projects. Swindon Borough Council may also need to cashflow the Swindon Bus Exchange project, though this is dependent on a detailed plan for the project that is currently being prepared now the CPO issues have been resolved.

It should also be noted that BEIS has awarded £89,630 of grant over and above the forecast profiling of the projects. How this money is to be used is to be determined.

Table 1

		Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16	Total 15/16	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	Total 16/17	17/18	18/19	19/20	20/21	TOTAL
A350 Bumpers Farm - COMPLETE	Forecast Profile Spend				1,670,000	1,670,000					0					1,670,000
	Actual Spend to Date				1,670,000	1,670,000					0					1,670,000
A429 Malmesbury - COMPLETE	Forecast Profile Spend				1,400,000	1,400,000					0					1,400,000
	Actual Spend to Date				1,400,000	1,400,000					0					1,400,000
Porton Science Park	Forecast Profile Spend				0	667,000	1,133,000	400,000			2,200,000	1,800,000				4,000,000
	Actual Spend to Date				0					0						0
A350 West Ashton/Yarnbrook	Forecast Profile Spend				0	117,300					117,300			2,282,700	3,100,000	5,500,000
	Actual Spend to Date				0	117,300					117,300					117,300
M4 Junction 17	Forecast Profile Spend				0	35,645	99,955				135,600			364,400		500,000
	Actual Spend to Date				0	37,555	15,326	23,888			76,770					76,770
Corsham Mansion House	Forecast Profile Spend				26,200	26,200	4,700	25,000	130,000	94,500	254,200	2,169,600	50,000			2,500,000
	Actual Spend to Date				26,200	26,200	17,181	24,452	21,520		63,153					89,353
A350 Dualling Chippenham Bypass	Forecast Profile Spend				0	193,000	155,000	161,000	161,000		670,000	1,133,854	2,683,246	2,612,900		7,100,000
	Actual Spend to Date				0	145,580	232,501	270,573			648,654					648,654
Ultra Fast Broadband	Forecast Profile Spend				0						0	1,000,000				1,000,000
	Actual Spend to Date				0						0					0
Salisbury Plain Heritage Centre	Forecast Profile Spend				0						0	425,000	925,000			1,350,000
	Actual Spend to Date				0						0					0
Swindon Museum and Art Gallery	Forecast Profile Spend				0						0	425,000	925,000			1,350,000
	Actual Spend to Date				0						0					0
Local Sustainable Transport Fund	Forecast Profile Spend	16,000	99,000	73,000	1,039,000	1,227,000	-409,000	322,000	50,000	1,310,000	1,273,000	1,250,000				3,750,000
	Actual Spend to Date	16,000	99,000	73,000	1,039,000	1,227,000	-409,000	322,000	22,000		-65,000					1,162,000
M4 Junction 16	Forecast Profile Spend	80,000	86,000	54,000	656,000	876,000	-127,000	812,000	1,500,000	2,500,000	4,685,000	3,479,000		-3,120,000		5,920,000
	Actual Spend to Date	80,000	86,000	54,000	656,000	876,000	156,300	812,000	723,000		1,691,300					2,567,300
Rapid Transit	Forecast Profile Spend				0				164,000		164,000	3,283,000	3,283,000	3,120,000		9,850,000
	Actual Spend to Date				0			160,000			160,000					160,000
Swindon Bus Exchange	Forecast Profile Spend				0						0	737,000	2,063,000	200,000		3,000,000
	Actual Spend to Date				0						0					0
TOTAL Forecast Profile		96,000	185,000	127,000	4,791,200	5,199,200	481,645	2,546,955	2,241,000	4,229,500	9,499,100	15,702,454	9,929,246	5,460,000	3,100,000	48,890,000
TOTAL Actual		96,000	185,000	127,000	4,791,200	5,199,200	64,917	1,406,279	1,220,980		2,692,176					7,891,376
Grant Annual						7,450,000					10,214,948	12,735,560	10,028,520	5,455,301	3,095,301	48,979,630

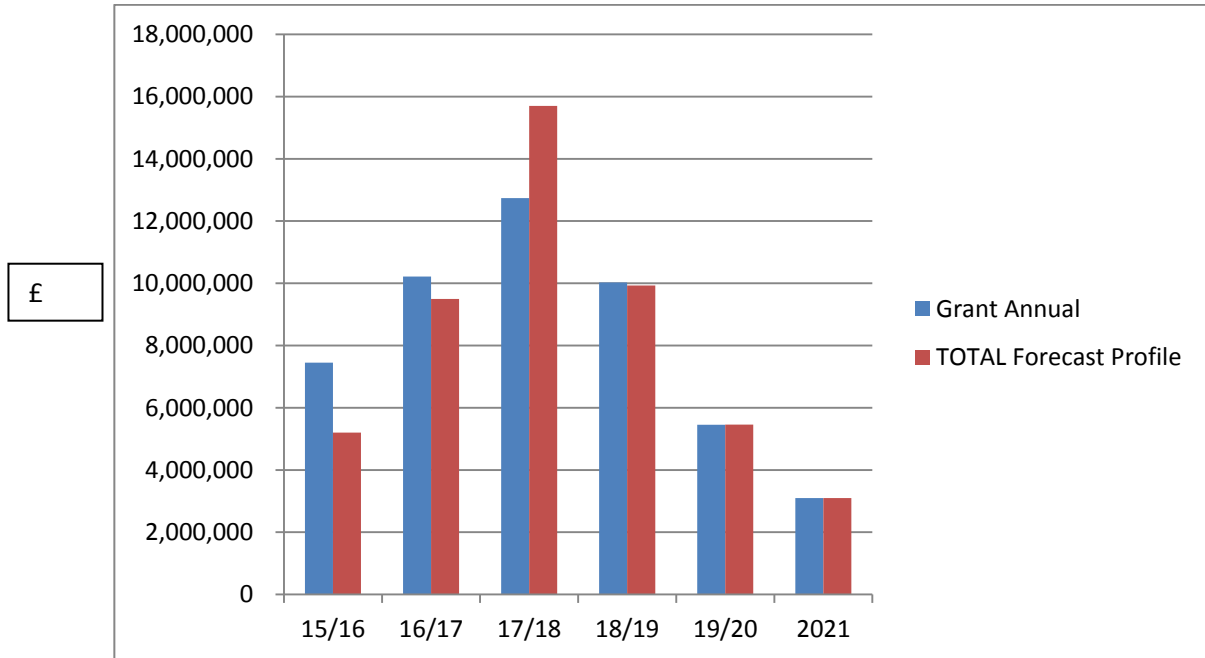


Figure 1a

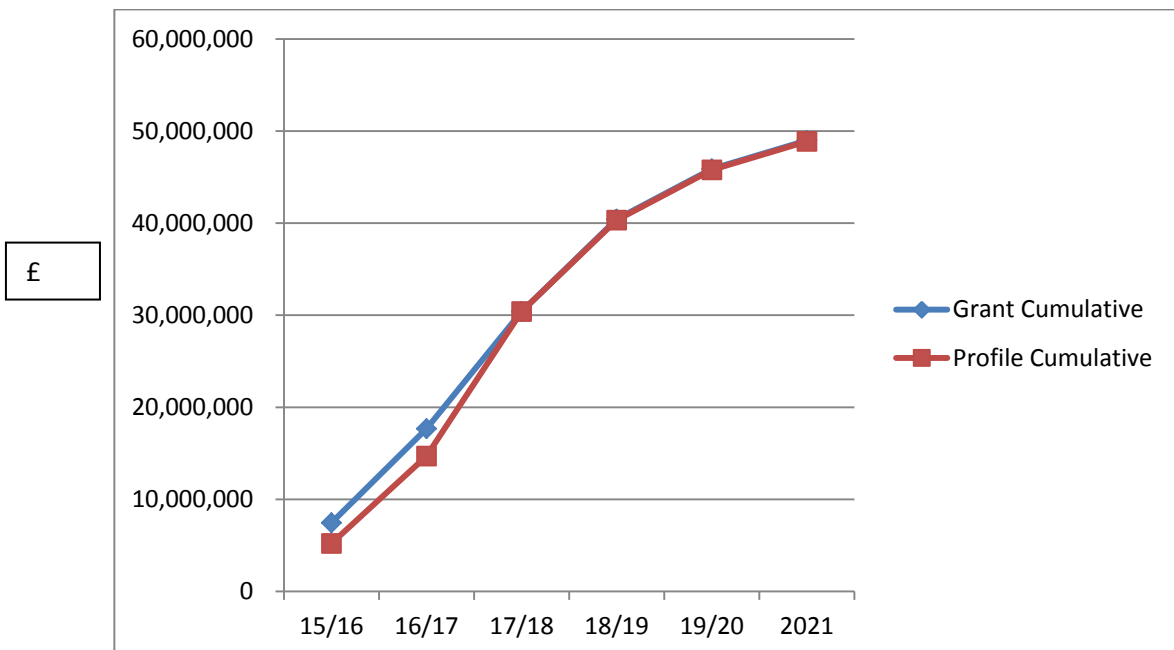


Figure 1b

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

Table 2 shows the current Forecast Spend Profile for each project and the corresponding actual spend to date. At the bottom of the table is the total of all the project lines, plus the profile of the grant that we receive from BEIS (shown in the 'pink' line). These total lines are shown graphically in Figure 2a.

Figure 2b also shows the position of total cumulative spend against the total cumulative grant.

It should be noted that the spend in 15/16 was cashflowed by Swindon Borough Council.

The mismatch between the grant profile and the forecast spend profile is due to slippages to the A420 Gablecross project and 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.

Table 2

		Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16	Total 15/16	Q1 16/17	Q2 16/17	Q316/17	Q4 16/17	Total 16/17	17/18	18/19	19/20	20/21	TOTAL	
Green Bridge Roundabout	Forecast Profile Spend			145,000	446,000	591,000	612,000	797,000			1,409,000						2,000,000
	Actual Spend to Date			145,000	446,000	591,000	612,000	797,000			1,409,000						2,000,000
West of A419 - Package 2	Forecast Profile Spend					0					0			500,000	1,500,000		2,000,000
	Actual Spend to Date					0					0						0
A420 Corridor	Forecast Profile Spend				41,000	41,000	22,000	-22,000		200,000	200,000	500,000	1,500,000	259,000			2,500,000
	Actual Spend to Date				41,000	41,000	22,000	-22,000			0						41,000
Great Stall Bridge	Forecast Profile Spend					0					0	500,000	1,761,000	4,696,000	643,000		7,600,000
	Actual Spend to Date					0					0						0
TOTAL Forecast Profile				145,000	487,000	632,000	634,000	775,000		200,000	1,609,000	1,000,000	3,261,000	5,455,000	2,143,000		14,100,000
TOTAL Actual				145,000	487,000	632,000	634,000	775,000			1,409,000						2,041,000
Grant Annual						0					4,500,000	500,000	3,500,000	4,100,000	1,500,000		14,100,000

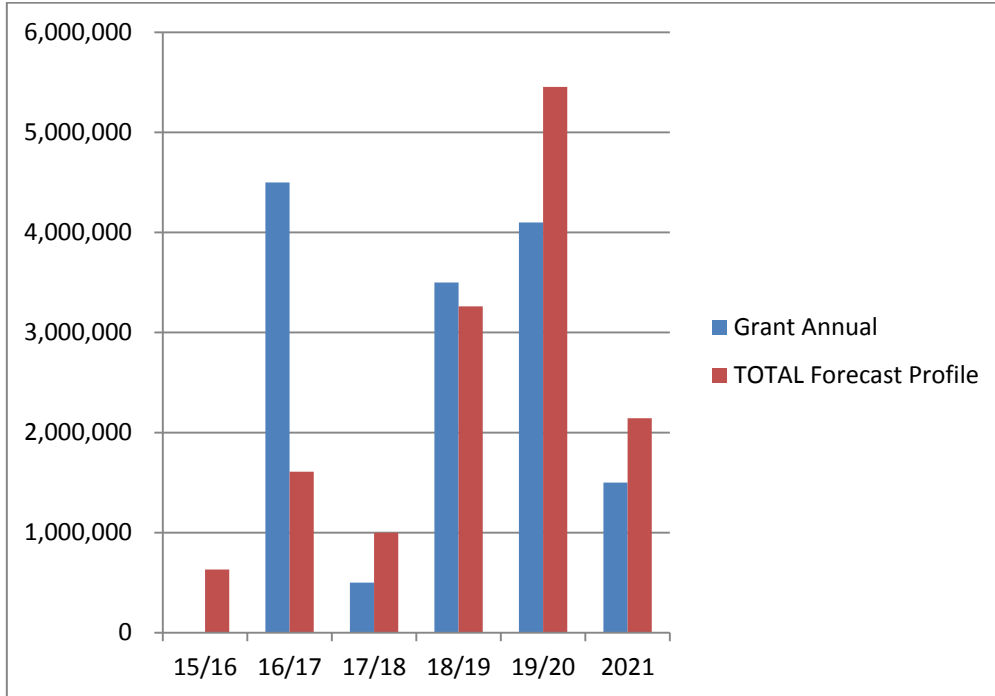
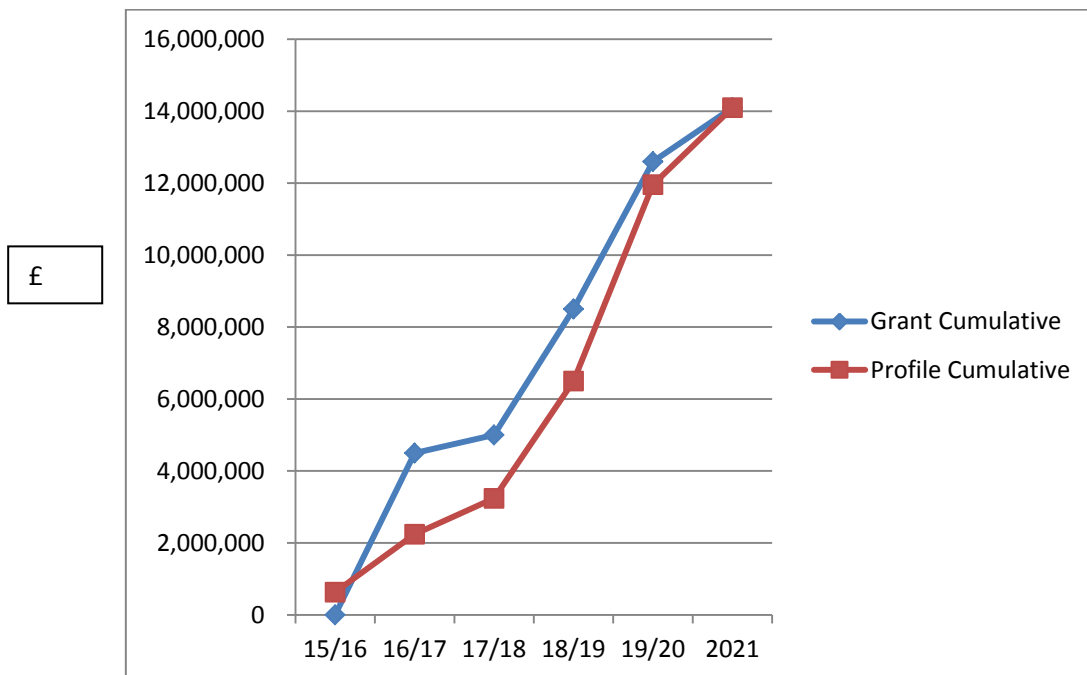


Figure 2a



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Figure 2b

3. DfT Retained Projects

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

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

Table 3 shows the current Forecast Spend Profile for each project and the corresponding actual spend to date. At the bottom of the table is the total of all the project lines, plus the profile of the grant that we receive from BEIS (shown in the 'pink' line). These total lines are shown graphically in Figure 3a.

Figure 3b also shows the position of total cumulative spend against the total cumulative grant.

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

Table 3

		Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16	Total 15/16	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	Total 16/17	17/18	18/19	19/20	20/21	TOTAL
Chippenham Station Hub	Forecast Profile Spend	23,647			4,210	27,857	95,000	50,000	137,000	40,000	322,000	3,000,000	12,650,143			16,000,000
	Actual Spend to Date	23,647			4,210	27,857	32,267	62,013			94,280					122,137
Wichelstowe Western Access	Forecast Profile Spend					0					0	200,000	2,340,000	10,360,000	10,000,000	22,900,000
	Actual Spend to Date					0					0					0
New Eastern Villages - Business Case	Forecast Profile Spend			79,000	303,000	382,000	57,000	18,000	43,000		118,000					500,000
	Actual Spend to Date			79,000	303,000	382,000	57,000	18,000			75,000					457,000
New Eastern Villages - White Hart Junction	Forecast Profile Spend					0				600,000	600,000	400,000	0	11,000,000	10,500,000	22,500,000
	Actual Spend to Date					0					0					0
New Eastern Villages - Southern Connector Road	Forecast Profile Spend					0					0			5,800,000	5,800,000	11,600,000
	Actual Spend to Date					0					0					0
TOTAL Forecast Profile		23,647		79,000	307,210	409,857	152,000	68,000	180,000	640,000	1,040,000	3,600,000	14,990,143	27,160,000	26,300,000	73,500,000
TOTAL Actual		23,647		79,000	307,210	409,857	89,267	80,013			169,280					579,137
Grant Annual						850,000					600,000	3,600,000	15,350,000	26,800,000	26,300,000	73,500,000

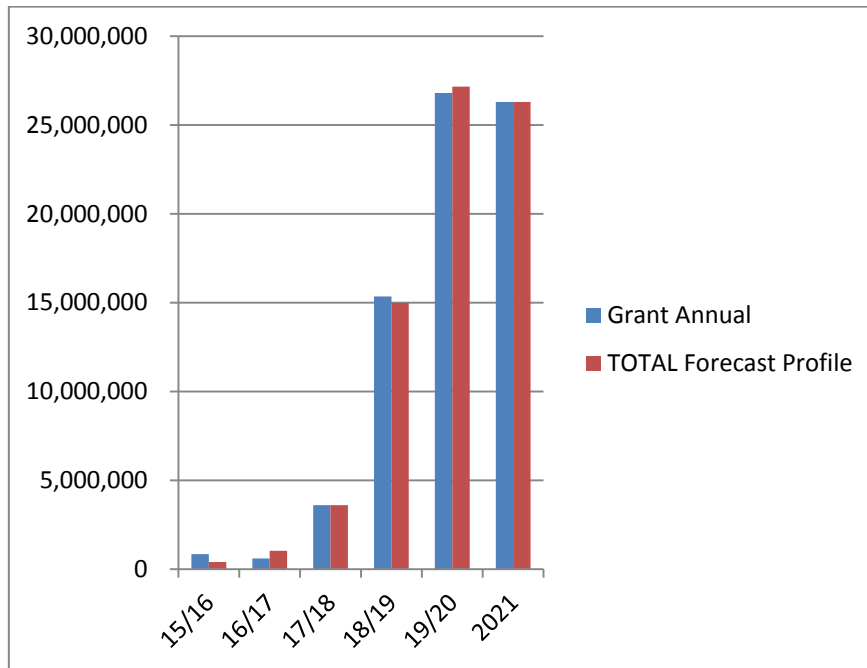


Figure 3a

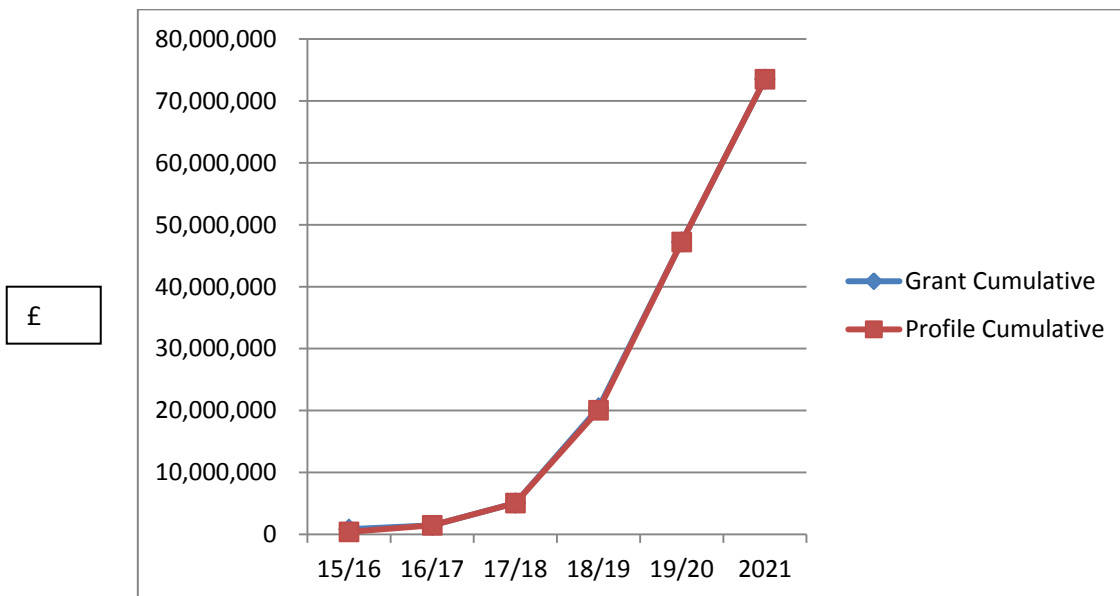


Figure 3b

Ian Durston, SWLEP Programme Manager

03 January 2017