Local Growth Fund & Getting Building Fund Evaluation: Area-Based Case Studies

Final Report

July 2025

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Executive Summary

Background to the research

In April 2023, Steer Economic Development was commissioned by the Ministry of Housing, Communities and Local Government (MHCLG) to undertake evaluation scoping activity on behalf of two funds aimed at supporting local economies: the Local Growth Fund (LGF) and the Getting Building Fund (GBF). Two evaluation scoping outputs were produced: an initial scoping study (you can read the Local Growth Fund and Getting Building Fund: initial evaluation feasibility assessment on the GOV.UK website), and a final scoping study. In addition, a process evaluation of the funds was also conducted.

In January 2025, building on this previous work, MHCLG commissioned Steer Economic Development to undertake three light-touch area-based case studies. The purpose of the case studies was to explore design and delivery of LGF and GBF portfolios in three areas, with a particular focus on the role of the 'single pot' (a notable feature of LGF and GBF design), and an emphasis on understanding barriers and enablers to achieving impact. The case studies were prepared rapidly, so as to contribute to the evidence-base collected for the 2025 Spending Review. They addressed the following five high-level evaluation questions (more specific questions were also included, but are not included here for brevity)

1. What measurable outputs, outcomes and impacts occurred as a result of LGF/GBF in each case study Local Enterprise Partnership?
2. To what extent did the scheme result in synergistic impacts – i.e. greater impacts than could have been produced by individual project investments in isolation?
3. What relationships /partnerships were formed as part of LGF/GBF delivery, and how?
4. What innovative funding mechanisms were used by case study LEPs, and what were the barriers and enabling factors to use of these mechanisms?
5. What lessons can be learnt about the impact of LGF/GBF and its implementation by the case study Local Enterprise Partnerships?

Three areas were selected to be the focus of the case studies: (1) West Yorkshire; (2) Cheshire and Warrington; and (3) Greater Cambridge & Greater Peterborough. These areas were selected due to their capacity to support the work within the timescales available, and also to provide a balance across a range of geographies and LGF/GBF investment types.

This document is the case studies final report, summarising all work conducted for this commission. It contains one chapter for each of the three case study areas, detailing notable projects, portfolio design, and project delivery. Supporting theories of change are provided in an accompanying annex. This executive summary brings together key findings and overarching learnings from across the three case studies.

The evaluation used a mixed-methods approach, combining quantitative analysis of monitoring data, desk review, and qualitative insights gleaned via primary fieldwork. The methodology included:

- **monitoring data analysis:** analysis of output data submitted to MHCLG by each of the three case study areas

- **document review**: analysis of strategic economic plans, growth deal submissions, and local evaluation reports (where available)
- **interviews**: a total of 23 interviews were conducted with key stakeholders, such as LEP delivery staff, project beneficiaries, and local authority representatives

Key Findings

Strategic priorities and project selection approaches reflected regional maturity and evolving local contexts

While all three regions aimed to stimulate growth and job creation, their strategies for project selection diverged based on local conditions and institutional maturity. Leeds City Region, a large and diverse urban area, balanced clearly defined strategic priorities with responsiveness to local needs and pragmatic considerations, resulting in a well-rounded yet focused portfolio. While the area has a large economy and innovative firms in growth sectors, its Gross Value Added (GVA) per head has been below national average for some time, and there was a clear focus on renewal and regeneration of urban areas following previous industrial decline.

Cambridgeshire & Peterborough pursued a clear strategy, led by its Business Board, targeting GVA growth and high-quality employment. It sought to build on the region's existing key sectoral strengths (such as biomedical tech and advanced manufacturing) while also addressing patches of poor skills and training provision within the region.

Finally, Cheshire & Warrington spans both urban and rural areas, with a thriving rural sector home to a wide range of businesses. While it has the second highest GVA per capita in England outside of London, it has faced challenges around transport, housing, and skills. The LEP's early approach was shaped by the short timeframe for initial LGF bids and the LEP's early stage of development, which meant the project pipeline was still emerging. As a result, the LEP initially adopted a more reactive, opportunity-led approach. However, following the first funding round, this evolved into a more strategic, place-based model increasingly aligned with sub-regional growth priorities.

Synergies emerged differently depending on timing, planning, and place-based focus

The emergence of project synergies was more immediate in Cambridgeshire & Peterborough and Leeds City Region, where place-based strategies and aligned priorities allowed natural integration across projects. In Cambridgeshire & Peterborough, stakeholders noted that synergy often occurred organically as projects with shared goals converged. Leeds City Region also benefitted from spatial targeting, enabling projects to reinforce one another and SEP objectives. While Cheshire & Warrington initially faced challenges generating synergies due to an underdeveloped pipeline, a shift towards a place-based approach led to greater project alignment and stronger outcomes over time. As in Cambridgeshire & Peterborough and Leeds City Region, this evolution enabled synergies to emerge both organically and through more deliberate spatial targeting.

Partnership development was a common strength but took varying forms

All three regions leveraged partnerships to deliver LGF and GBF outcomes, though the nature of these collaborations varied. Cambridgeshire & Peterborough actively encouraged partnership formation as part of its process for selecting projects to fund.

Leeds City Region built on mature local authority relationships and broadened its partnership base through successive funding rounds. Cheshire & Warrington's most notable transformation came in the education sector, where LGF and GBF investments succeeded in creating a regionally driven skills partnership, which grew from what had previously been a tense and competitive environment between local education providers.

Flexible funding tools were used creatively, though starting points and challenges differed

Regions adapted their funding models to local opportunities and constraints. Cambridgeshire & Peterborough made extensive use of innovative instruments, such as special purpose vehicles and joint ventures, providing strategic flexibility. Leeds City Region focused on using LGF as a confidence signal, leveraging it to attract co-investment and align public-private efforts, especially in infrastructure and risk reduction. Similarly, Cheshire & Warrington used LGF to prime infrastructure projects and unlock private investment. They also effectively addressed a key design limitation of LGF – the lack of revenue funding – by recycling funds from sources such as Enterprise Zones and the Growing Places Fund to support business case development and support pipeline building.

The single pot approach enabled strategic integration but delivered differently across contexts

The single pot approach supported more strategic and synergistic portfolios across the three regions, though stakeholder perceptions of its effectiveness varied. In Cambridgeshire & Peterborough, the approach enabled bold and potentially risky investments which could not have been achieved under traditional departmental funding silos. Cheshire & Warrington used the single pot to support a regionally aligned investment model, fostering new partnerships and delivery models. Crucially, they directed funding toward enabling infrastructure and supply chain skills development—investments that provided practical foundations for local economic growth. Leeds City Region benefitted from the relative flexibility of LGF and GBF, which allowed broader funding packages and local priority-setting than other similar funding sources. However, Leeds City Region stakeholders also noted some of the limitations of the single pot, such as it being capital-only funding, inflexible timeframes, and a restricted ability to adapt or reprofile projects.

Learnings from the case studies

The case studies demonstrate that devolved, flexible funding, particularly through a single pot mechanism, can enable more strategic, holistic, and locally tailored investment. When local leaders are empowered to direct funding across policy areas based on a well-evidenced and widely consulted economic plan, outcomes are stronger and more aligned with local priorities. A place-based approach, underpinned by joined-up strategic planning and strong partnerships, enhanced the effectiveness of interventions, while the flexibility of funding design encouraged innovation. The predictable, long-term nature of the funding built local capacity, enabled faster and more confident delivery, and attracted private investment. However, despite these strengths, single pot mechanisms still faced constraints, such as capital-only restrictions, and limited adaptability once projects were underway, that limited their full potential.

Effective delivery was consistently linked to strong governance structures, collaborative working models, and a focus on building strategic partnerships. LEPs played a crucial coordinating role, enabling engagement with beneficiaries, fostering alignment across sectors, and supporting smooth project delivery. Areas with weaker pipelines struggled with the limitations of short-term bidding processes and insufficient revenue funding. A shared lesson across all case studies was the importance of designing funding processes that encourage collaboration and strategic alignment, with a clear focus on sustainable, long-term growth outcomes.

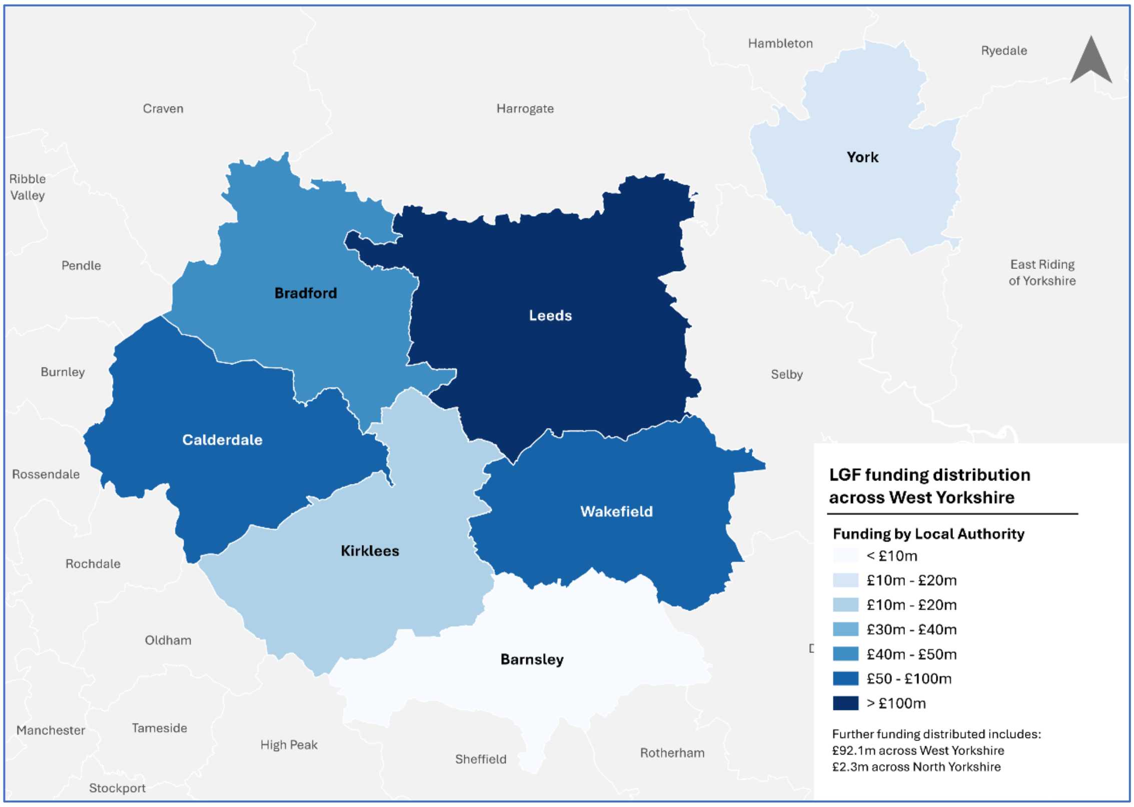
Case Study 1: West Yorkshire

Background

This case study covers West Yorkshire and its delivery of projects supported by an LGF allocation of £516 million and a GBF allocation of £53 million. Whilst both programmes were broad, the case study focuses on projects to support growth and regeneration in major towns and cities.

West Yorkshire includes the five local authority areas of Leeds, Bradford, Kirklees, Wakefield and Calderdale and is now covered by the West Yorkshire Combined Authority (WYCA) (‘the Combined Authority’). It has a total population of approx. 2.4 million and is also part of the wider Leeds City Region (LCR) which also includes Barnsley and parts of York & North Yorkshire, see Figure 1.1. Initial LGF proposals and management were led by the LCR Local Enterprise Partnership (LEP), but this transitioned towards the Combined Authority from 2015/16 to 2020, including responsibility for GBF.

Figure 1.1: LGF funding distribution across West Yorkshire



Source: Map by Steer. Base map © Ordnance Survey. Data source: MHCLG Monitoring Data, March 2024

West Yorkshire is a large and diverse area, including three cities, large towns such as Halifax and Huddersfield, and semi-rural areas. Its economy has concentrations of manufacturing and engineering and also strengths in service sectors including finance and professional services, health, and creative and digital. Whilst it has a large economy and innovative firms in growth sectors, its GVA per head has been below national average for some time and there was (and is) significant unemployment. Many of its places have been seeking to renew and regenerate following previous industrial decline.

The first LCR Strategic Economic Plan (SEP) was published in 2014 with a vision to '…*develop an economic powerhouse that will create jobs and prosperity*'. The SEP was updated in 2016 with a transformative new vision to be a '*globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone*'. The SEP's four priorities were: (1) Growing Business; (2) Skilled People and Better Jobs; (3) Clean Energy and Environmental Resilience; and (4) Infrastructure for Growth.

LCR agreed a broad Growth Deal with Government which centred on delivering these SEP priorities. LGF funding was secured as part of three Growth Deal submissions (approved in July 2014, November 2014, and September 2016). The SEP was still in place at the time GBF was established in 2020.

Key features of the portfolio and findings

Approach to project selection and portfolio design

Consultees at WYCA and the independent evaluation of LGF reported that LCR's SEP, in its 2014 and 2016 iterations, was developed in wide consultation.[1] The evaluation notes involvement in 2014 by 600 organisations and individuals from across the public, private and third sectors. Both also note that it drew on a robust evidence base to form its vision and priorities.[2] This gave a level of specificity that helped to drive LGF project selection and led to a wide-ranging programme, mirroring SEP priorities as shown in Table 1.1.

The sub-region has a population of approximately 2.4 million and received:

- £516.4 million from the LGF, equating to £220 per person
- £52.6 million from the GBF, equating to £22 per person

Table 1.1: LGF funding breakdown, by SEP priority

#	SEP Priority	Allocation	Schemes
1	Growing Businesses	£62.05m	6
2	Skilled People, Better Jobs	£79.00m	11
3	Clean Energy & Environmental Resilience	£12.80m	5
4	Housing & Regeneration (Infrastructure for Growth)	£41.60m	17
5	Economic resilience - flood risk (Infrastructure for Growth)	£20.00m	9
6	Enterprise Zones (Infrastructure for Growth)	£20.00m	8

[1] Arcadis (2021) Leeds City Region Growth Deal: Independent Impact Evaluation
[2] Les Newby Associates (2014), https://www.westyorks-ca.gov.uk/media/2260/lcr-economic-assessment-summary-2014-final.pdf and https://www.westyorks-ca.gov.uk/media/2248/economic-assessment-2016.pdf

7	Transport (Infrastructure for Growth)[3]	£281.00m	32
	Total LGF for 'economic development' (i.e. minus transport)	**£235.45m**	**56**
	Total LGF (including transport)	**£516.45m**	**88**

Stakeholders reported that the approach to selecting projects for the LGF portfolio was to prioritise those which a) aligned to the SEP; and b) could contribute to the headline targets committed to in dialogue with government and based on evidence and forecasting of 19,595 new jobs, 2,300 new homes, and £1,031 million investment levered from local partners and the private sector by March 2025. An ability to make an impact on wider outputs (such as college/commercial floorspace, land remediated, land/properties with reduced flood risk, and enterprises supported) and outcomes (such as increased GVA, innovation, skills and earnings, reduced CO2, and place shaping) was also sought. Deliverability and local prioritisation were also key factors. Businesses were involved in project selection via the LEP Chair and LEP Boards.

"The project was a clear council priority that we were already progressing and assembling land for. LGF funding was secured on the back of this local prioritisation and deliverability." - Project Stakeholder

GBF projects were framed around the West Yorkshire COVID-19 Economic Recovery Plan and cannot be readily grouped around SEP priorities in the same way as LGF ones above. For these, the reality of the COVID-19 context and tight timescale for bid submission meant that a detailed assessment of the strategic contribution of projects was not possible. Hence, the main criteria for project selection were: the ability to deliver spend and outcomes in line with national programme requirements (i.e., 'shovel readiness'); and the level of importance to local authorities linked to place strategies and COVID recovery.[4] The result was a £53 million programme awarded across 16 capital projects.

Despite time and deliverability pressures, interviewees report that LGF and GBF project portfolios responded well to local needs and priorities and went on to have significant positive impact on places aligned to local ambitions and strategic frameworks. This was made possible thanks to partnership working with local authority districts, who typically put forward projects that built on what was already happening and which would support the delivery of local ambitions. However, the pace of bidding and short delivery timescales also had a limiting influence on what was proposed and selected. Stakeholders reported that more could have been delivered in terms of partnerships, synergies, funding alignment and impact with a longer timescale and with longer-term settlements that remove the need to bid. This is discussed further below.

[3] Note LGF supported 32 schemes in the wider West Yorkshire plus Transport Fund. We show a 'minus transport' figure to better reflect the scale of the 'economic development' tranche of LGF.
[4] As noted in Genecon (2023), GBF Interim Evaluation

Features of the portfolio

This section assesses the LGF and GBF portfolios in terms of strategic alignment, synergies, partnerships and how the nature of each fund supported or hindered this.

STRATEGY

The LGF programme in West Yorkshire was intrinsically woven into the LCR Growth Deal. As the Growth Deal closely reflected the City Region's SEP and sought funding for each of the priorities within it, it demonstrated a well-aligned and strategic approach overall. The independent impact evaluation of all three of the region's Growth Deal programme's also found this to be the case. It noted that the SEP provided a robust evidence base with clear priorities for investment and that programmes of activity within each strategic priority were well-designed.

For LGF, this in-principle strategic approach was balanced with pragmatism and a strong focus on the perceived need to deliver schemes quickly and spend financial allocations promptly.[5] Hence, there was focus on 'shovel-ready' local authority priority projects, and this drove what was delivered locally as much as strategic drivers and Growth Deal priorities.

For GBF, the COVID-recovery and rapid economic stimulus context of the fund meant that practicality was the main driver. Economic strategy did not have the same role in framing the programme as it had done for LGF, and the Growth Deal and prioritisation were driven by the need for deliverability within a relatively short time frame. This may have impacted on the range of projects and strategic focus of projects covered, including there being no skills capital/college improvement projects and few housing or unlocking land based projects in the GBF programme. That said, the selection of projects continued to cover a broad spread of strategic priorities rather than having a single focus.

SYNERGY

Synergies between LGF-funded projects were not explicitly considered during portfolio design and project prioritisation. The focus on pace and deliverability resulted in projects that were largely standalone rather than interconnected. Nevertheless, because the LGF programme sought coverage across the SEP's priorities, clusters of projects arose within priority areas, with potential to reinforce one another or jointly contribute to the SEP's vision and objectives. A prime example is around business growth, where the interventions funded were often region-wide rather than place-based. In this instance, three business programmes (Access to Capital Grants Programme, Business Expansion Fund and Business Growth Programme) all worked to support business growth, but targeted different types of business (e.g. new and early-stage SMEs or large businesses) and forms of investment (e.g. innovation and supply chains, refurbishment of equipment and buildings, or inward investment). Regional programmes in this area were intended to meet needs evident across West Yorkshire and to deliver economies of scale.

Synergy was very limited for GBF projects, where the programme's pace posed a barrier to connections being made. Perceived difficulty or inability to revise projects once funding had been awarded further hampered the potential for synergies, despite a change request procedure being in place.

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[5] LGF spanned 2015 to 2021, so actual timescales varied for its three rounds and were longer than for some other funds.

"GBF was thrown together so fast in the context of getting building going post-COVID that it was hard to make links." - Programme Delivery Stakeholder

Greater synergy occurred at a place-based level within local authority districts. This was evident in large town and city centres such as Leeds, Bradford, Halifax and Wakefield where multiple projects contributed to regeneration. Sometimes, this was about further growth and development (see Unlocking Housing Growth in Leeds project example below) and at other times it was about renaissance and reinvigoration of urban centres through individual projects (see Halifax Beech Hill Housing and Wakefield Tileyard North examples), covering aspects such as housing, business space, physical environment and cultural development and transport.

Stakeholders perceived that having multiple projects in a single centre would help to tackle multiple issues in parallel, increase impacts, enhance perceptions and quality of places, and in so doing send signals to market and attract further (private) investment.[6] In that sense, place-based projects were at least partially synergistic. The extent to which linkages went further than that were limited, and there were few instances where projects were genuinely interdependent or tied together through a place-based masterplan. Nevertheless, there is consensus that working at place-based level provides opportunities to enhance impact and synergy in the future.

The package of flood risk reduction projects funded via LGF (see Flood Risk example) also demonstrated synergies. This was primarily at a catchment level, where Natural Flood Management measures to slow the flow of water from catchments into rivers were combined with 'hard' flood defence schemes in at-risk areas in the same catchment.

PARTNERSHIP

LGF funding – and certainly the opportunity for it – came into being in the early stages of the LEP, when its partnership working was being established and embedded, especially with local authorities in the region. LGF was hence a tangible opportunity to apply and strengthen, rather than create, partnership working with local authorities around a tangible and significant scale opportunity, allowing relationships to build.

Evidence from interviews identified that in the early years of the LEP, partnership working with other organisations (e.g. educational institutions and public agencies) was more variable. LGF became a catalyst for developing new or stronger partnerships in this respect, for example with the Environment Agency in relation to flood risk reduction projects and with universities around innovation. Sometimes the creation of new or stronger partnerships was intertwined with assembling funding packages for projects. Often delivery-based partnerships followed on from this. Partnerships with businesses were also reported to have been extended or strengthened, for example as part of the LEP's governance infrastructure, or through bringing in private investors. Stronger and wider partnership working helped to increase the breadth of funding and to align activity and investment on key priorities and projects, and to support delivery and impact.

[6] Leveraging public funding to attract private sector investment is also seen as a key element of place-based regeneration – see https://www.centreforthrivingplaces.org/

> “Growth Deal funded projects brought universities into the ecosystem in a more engaged way and bolstered their SME engagement.” - University Stakeholder

As GBF came about some time later, local authority (and many wider) partnerships were more established at the point of GBF delivery. However, some stakeholders reported that the rapid pace of the bid process further sharpened and cemented partnership working.

Overall, learning from LGF and GBF has helped to mature local authority relationships and helped the Combined Authority to think about widening its partnerships with others.

FUNDING

Some examples of innovative funding mechanisms due to LGF and GBF are evident, often relating to the flexibility of the fund bringing these mechanisms in to support initiatives that may not otherwise have gone ahead. For example, flood risk reduction projects brought in bodies such as Yorkshire Water and the Environment Agency as funding partners on initiatives they would not have supported without LGF funding acting as seed-corn or filled a funding gap. Even when the funding package was not innovative in itself, stakeholders reported that LGF acted as a catalyst that gave confidence and pulled other public and private partners in.

Other examples of less common funding approaches which were applied occasionally included the use of ‘soft loans’ (i.e. zero interest) to create recyclable funding. This was most notable where an initial investment to unlock land for housing or other development would increase land value and bring in revenue once that land was sold to a developer. This approach was not welcomed or praised by local partners, who saw grant funding as preferable, however the fact that loan repayment was only triggered once certain project outcomes arose was seen as better than some other funding streams where repayment is unconditional.

IMPACT OF A ‘SINGLE POT’ APPROACH

The relative flexibility and breadth of LGF and GBF funding was welcomed and contributed to success. However, partners did not generally see it as ‘single pot’ funding per se as it did not allow the same degree of local control and flexibility that Regional Development Agency single pot funding allowed previously. Nor did they see it as a model for the future, because by its nature it involved more limitations than would be sought in a devolved integrated settlement. Key factors in this respect include its capital-only nature (revenue funding is also required); the importance of allowing longer-term timeframes that go beyond political cycles; and ability to work across policy areas with true flexibility in specifying the type and scale of outcomes and to roll funding across years when required.

Whilst more flexible than many funding streams, and enabling of a broad range of project types, LGF and GBF were both perceived by stakeholders as allowing minimal flexibility to change once projects had been started (despite a change request procedure being in place). GBF in particular was seen as being focused on shovel-ready capital projects. The impact of this was to make it more difficult to progress potentially strategic and impactful projects that would require more time to design and deliver effectively.

Notwithstanding these perceived limitations, it is clear that the level of flexibility within LGF and GBF did have advantages. A prime example in this respect was the ability to bring in a range of other funding bodies and sources, and to assemble wider funding packages than would be possible otherwise. This reflected the fact that projects spanned wider policy areas than single departmental funds would have allowed. LGF and GBF funding could act as the seed-corn that gave confidence and brought in match funding from others, with wider and sometimes new partnerships following on from this. Funding was used to plug funding gaps and was seen as enabling some programmes and projects to happen that would otherwise have been unlikely to happen as quickly or at all.

The flexibilities allowed also have benefits at a local, place-based level, because of their role in supporting enabling projects that are required for growth and regeneration to occur, and their role in catalysing partnership working. Whilst the opportunity to develop synergistic projects was not fully utilised across the Growth Deal, examples pointed to what was possible and could be in the future.

Portfolio impacts

The LGF and GBF programmes both tracked a wide range of output measures at portfolio level. Some of these were the same, others differed, and many were quite specific to certain types of projects. Table 1.2 summarises achievement against a selection of the core measures for both programmes individually and combined where possible.

Table 1.2: Actual outputs achieved by LGF and GBF Portfolios as of March 2024

Measure	LGF	GBF	Total
Jobs created or safeguarded	33,900	952	34,852
Construction jobs	n/a	939	
Enterprises supported (total)	4,986	260	5,246
New housing units	4,135	0	4,135
Retrofits delivered	n/a	563	
Commercial floorspace created (sq m)	37,699	9,308	47,007
CO2 avoided (kg)	n/a	72,027,761	
Public realm or green space improved (sq m)	n/a	7,700	

Source: LGF/GBF Monitoring Data, March 2024

LGF delivery by March 2024 is mostly in line with forecasts up to March 2025, but with some additional delivery on enterprises supported (rising to 5,429) and commercial floorspace expected (rising to 43,789 sq m). GBF delivery by March 2024 is also mostly in line with forecasts for March 2025, except on jobs created/safeguarded where the forecast is significantly higher at 2,529.

A range of wider benefits from the LGF and GBF programmes have or will also be achieved but are not covered in the output measures shown. Some of these are quantitative measures such as new or improved green space, roads or cycleways, the volume of learning floorspace created and the number of learners benefiting. Others are hard to measure outcomes that stem from the outputs delivered (e.g. improved business innovation and productivity that follow on from business support and new innovation centres) or are more qualitative in nature, such as enhanced health and wellbeing.

Notable projects

This section provides examples of four key local projects, exemplifying the LCR LGF and GBF portfolio. A strong place-based approach emerged, with multiple projects in key urban centres, reflecting local geography and partnerships, and the drive for good growth and regeneration in towns and cities. The examples chosen highlight concentrations of activity, good practice examples and innovative approaches.

Key project outputs

Table 1.3 below provides key output metrics for four key local projects.

Table 1.3: Notable projects key output metrics

Outputs	Beech Hill Housing, Halifax	Tileyard North Phase 1, Wakefield[7]	Unlocking Housing Growth, Leeds[8]	Flood Risk Reduction Programme[9]
Hectares of land remediated			14.7	
Hectares of brownfield land developed	3			
Hectares of land unlocked for new housing and road			29	
Hectares of land with reduced flood risk				1,280
No. of construction jobs	48			
Temporary construction jobs created		7	645	
Permanent jobs created or safeguarded		219		
Commercial floorspace created (m^2)		69,090		
Public realm space created(m^2)		3,000		
Private sector match (£million)			Up to 62	
No. of affordable homes built	106			
No. of home retrofits delivered	70			
No. of new homes built			300 in 2021, rising to 520 by 2025	
Existing dwellings or business premises protected from flood risk				7,700 existing dwellings; 2,306 business premises
Improved viability of hectares of employment and housing land				58
Hectares of new woodland; No. of new trees and Hectares of improved habitats				175 ha of new woodland; 2.1 million trees; 106 ha of improved habitats

7 Output data from Thrive Economics (2023), Growth Deal Case Studies Report

8 Includes. Brownfield sites and Red Hall

9 Output data from Arcadis (2021), Leeds City Region Growth Deal Independent Impact, 2015 – 2021

Source: LGF/GBF Monitoring Data, March 2024, Thrive Economics (2023), Growth Deal Case Studies Report and Arcadis (2021) and Leeds City Region Growth Deal Independent Impact, 2015 – 2021

Project overviews

BEECH HILL HOUSING, HALIFAX

Beech Hill housing is a £19.1m housing project, supported by a £2.2m contribution from LGF. The project is led by Together Housing (a housing association) working in partnership with Calderdale Council, this project transformed the Beech Hill housing estate on the edge of Halifax town centre. Phase one used LGF and partner funding to: demolish three 1970s tower blocks which had stood empty for 20 years; complete complex site remediation works; and build 106 high quality family homes to high environmental standards, creating much needed social housing. Phase 2 then used GBF and partner funding to retrofit 70 homes on the adjoining mixed tenure estate, bringing them up to high quality and energy standards, and creating a cohesive neighbourhood.

The project stands out because LGF funding allowed a longstanding – but difficult – top priority for Calderdale Council to be delivered after many years without progress (due to the scale of work and funding required). Additionally, Homes England policies had meant that they would not contribute funding to a project that replaced tower blocks that constituted a high number of housing units (despite being empty) with fewer new housing units. The flexible nature of LGF/GBF funding was instrumental in allowing progress. It allowed for demolition and replacement in a way that other funding did not, and levered in funding contributions from Together Housing, Calderdale Council and private landlords.

> "With demolition, ground remediation and asbestos removal needed before homes could be built, a traditional house builder wouldn't have touched it." - Housing Partner

Whilst not directly linked, the project complements other public-private partnership projects that have together successfully shifted Halifax's trajectory from decline into a thriving town centre – for example the Piece Hall's redevelopment and LGF investments in Northgate House, a local enterprise centre, and Calderdale College. Whilst the projects were not at the time linked in any integrated masterplan for the town, they have all improved the attractiveness of and activity in Halifax and made it more investable. For example, the Beech Hill project turned a derelict eyesore at a highly visible site into high-quality, fully occupied family housing.

Challenges during the project included a difficult site with major asbestos removal and unexpected requirements, as well as delivery during Covid, and associated delays. Funding flexibility and partnership working was key to overcoming these and delivering an award-winning project that all partners are proud of, and which has created high quality housing in a deprived area and progressed wider economic, regeneration and net zero goals.

TILEYARD NORTH PHASE 1, WAKEFIELD

Tileyard North Phase 1 is a £4.9m employment project, supported by a £2.6m contribution from LGF. It was an ambitious project to bring Wakefield's nineteenth century Grade II Rutland Mill complex back to life, having sat derelict on the waterfront for 20 years. As a partnership between developers City & Provincial Properties and Wakefield Council, the vision has been to create a 135,000 square foot creative industries hub. The project also provided quality public realm and space for events and food/beverage offers. When complete, it will form the UK's largest creative community outside of London. LGF contributed to the phase one restoration of four buildings.

This was a challenging project - technically complex, lengthy, costly, and risk-laden. LGF was key to unlocking viability. Although a modest sum compared to the total, LGF funding gave confidence to the developer and Council to invest significantly in a project that had been in the pipeline for many years. It boosted investor confidence by signalling government's commitment to supporting local economic growth by providing funds to unlock locally identified priority projects. The LGF investment was highly synergistic with local ambition. It contributed to a culture-led cluster of regeneration on a key gateway site already home to the acclaimed Hepworth gallery, enhancing the city's cultural narrative and distinctiveness as a route to attract further investment, drive sectoral growth and improve local access to jobs, skills and culture. Investing in cultural infrastructure, in this case a flagship cultural art gallery, is a key underpinning of culture-led regeneration.[10]

The project is in close proximity to three further LGF investments: new housing to the south-east of the city; site assembly for new housing in the centre; and improved college facilities. Although not directly connected, each plays a role in shaping the place and transforming perceptions of Wakefield as a destination to live, work and invest.

"It's given Wakefield confidence. We are really trying to cultivate creative industries, which is exactly what this project has done." - Project Stakeholder

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UNLOCKING HOUSING GROWTH, LEEDS

Unlocking Housing Growth brings together the £63.1 million Brownfield Sites project (with a £1.1 million contribution from LGF) and the £9.2 million Red Hall project (with £4 million from LGF). Supporting places to unlock housing growth was a key objective of the SEP and LGF portfolio. LGF investment in Leeds included bringing two schemes forward connected to its ambitions to drive growth in the east of the city, create sustainable neighbourhoods and minimise development on greenfield land.

Firstly, LGF was used to de-risk 13 brownfield sites dispersed within existing social housing in East Leeds to make them viable for development and ultimately creating close to 1,000 new homes and supporting housing growth in the city. LGF's flexibility meant that the local authority could assess the remediation needs of each site and respond accordingly, rather than committing to a fixed plan in advance that may have transpired to be sub-optimal once delivery got underway. There were strong synergies to the LGF supported Flood Risk Reduction programme (see the Flood Risk Reduction programme example) given proximity of some of these sites to Wyke Beck.

Secondly, LGF was used to relocate a local authority plant nursery and sports pitches at Red Hall, which had two critical impacts on the city's plans to extend East Leeds. It opened up a 29-hectare site for new homes, identified as one of the core Leeds City Region Strategic Housing Growth Areas capable of providing 5,000 new homes by 2028. Investment in infrastructure and public spaces is also viewed as another form of best

10 https://www.centreforcities.org/

practice for housing.[11] There have been subsequent technical planning challenges linked to drainage in the Wyke Beck valley, however, the local authority report this as being close to resolution which will allow a developer to be sought. It also provided land on the 7km route of the new East Leeds Orbital Road, a strategic priority in the West Yorkshire-plus Transport Fund. The East Leeds Orbital Road could not be opened or adopted as a strategic route until the connection through Red Hall was established.

FLOOD RISK REDUCTION PROGRAMME

The Flood Risk Reduction Programme is a £230m flood management project, supported by a £20 contribution from LGF. Priority 4C of the LEP's Growth Deal focused on enhancing economic resilience through a Flood Risk Reduction programme. This comprised seven flood defence projects in at-risk locations, mostly in Leeds and the Calder Valley, and two innovative Natural Flood Management (NFM) programmes to reduce flood risk by slowing the flow of water in the Aire, Calder and Colne catchments. The programme was a response to the devastating 2015 Boxing Day floods in Leeds and West Yorkshire, and the need to increase flood protection for commercial premises and safeguard local economies.

The programme was designed to plug gaps in Environment Agency funding. As such, investing approximately £20 million of LGF levered in £220 million of partner funding – a significant proportion of which may not have been invested otherwise. LGF flexibility was central to enabling this innovative approach as the LEP did not have resources to invest in this way previously, and catalysed LEP involvement in the region's Flood Risk Partnership.

"Trust with partners on flooding is now really baked in. The Growth Deal catalysed that, and the Combined Authority is a much stronger partner now." - Project Stakeholder

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The NFM element of the programme was particularly pioneering, with integration between flood defences and NFM measures especially notable in the Calder Valley, where it gained strong local support and active community involvement. This is generally viewed as best practice for flood resilience programmes, as community involvement increases likelihood of emergency preparedness and responsiveness to early warning systems.[12] The programme also included three flood alleviation schemes in Leeds (city centre and Wyke Beck) which helped to protect businesses and homes and enable new development - including brownfield housing sites in East Leeds (see Unlocking Housing Growth, Leeds example).

Delivery challenges included Covid-related operational delays and ability to flex in response to changing circumstances. Whilst LGF was flexible enough to enable the programme to progress, stakeholders reported that the limitations of how the money could be spent were sometimes a barrier to effective place-based strategy. Overall, however, the programme is viewed as a great success. It has delivered high return on investment and benefits spanning safeguarding of businesses and jobs, enabling development

11 https://whatworksgrowth.org/

12 https://www.uwe.ac.uk/research/centres-and-groups/cwcr

opportunities, enhancing green infrastructure, improving health and wellbeing and reducing carbon emissions.[13]

"It had so many strings attached, it was hard to pull into cohesive place-based delivery" – Project Stakeholder

Lessons Learned

Overall lessons on barriers and enablers to achieving success and impact included:

LGF benefited from having a SEP in place that had been widely consulted on and built on a robust evidence base. This helped to both define the initial call for projects and guide subsequent project selection. The result was a portfolio of projects that were locally important and that, albeit not a strategic package, had the potential to collectively contribute to strategic goals around business, skills, environment and infrastructure.

Local Partners would not describe LGF and GBF as presenting single pot funding because of the requirement for bid submissions, the capital-only nature and certain inflexibilities. However, the much **greater flexibility of the funding and its ability to span policy areas compared to other more issue-specific funding streams was a major benefit in achieving impact.** It helped to lever in funding, develop partnerships, build synergies and focus projects on local needs and opportunities. There are clear examples of excellent projects that happened because of this funding context that would not have done otherwise.

A place-based approach which combines multiple interventions in a town or city can heighten synergies, partnership working and impact. This partially happened in LGF and GBF interventions, but it is also clear that linkages will not automatically flow when interventions are proximate. Proactive work is needed to plan and deliver projects so that they support one another in an integrated approach to growth and regeneration.

Partnership working has evolved significantly over the lifespan of LGF and GBF. LGF in particular gave a focus to nascent LEP and local government relationships, giving a focus for dialogue and gradually maturing into today's 'partnership of six' approach – comprising the Combined Authority and five local authorities. It also helped to strengthen partnership working with others, for example higher and further education and public agencies, and around which formal mechanisms will have also evolved over time.

The same can be said for **evolution in the capacity to design and deliver impactful strategic interventions using significant scale public investment.** The learning curve was steep, and capacity limited in the early days, but the experience from LGF and GBF delivery has helped to build programme management and assurance capabilities, and an increasingly sophisticated approach that has moved away from district level 'fair shares' to setting strategic priorities for West Yorkshire.

13 See also Portfolio level Theory of Change/Logic Model at the end of this case study

Specific lessons have also been learned for particular types of intervention and how to design and deliver them with partners across many areas of activity.

Experience of, and lessons from, LGF and GBF are now embedded in West Yorkshire and have for example assisted the deployment of Gainshare funds in the Region, where maturity of partnerships and systems is evident and supports a flexible, 'needs based' approach to delivery of Mayoral and place-based priorities. [14] **Experience of Gainshare has also influenced perspectives on funding models**. The greater local control it offers, and the lack of a bidding element, is seen as a step forward from the version of 'single pot' funding used for LGF and GBF. Hence, West Yorkshire's ambitions are for greater flexibility and long-term surety of funding as part of an integrated settlement, to support goals such as business growth, reduced unemployment and more affordable housing.

14 Gainshare (also known as Investment Funds) is a long-term grant agreed by government with 13 UK localities (including West Yorkshire) as part of City Deal, Growth Deal and Devolution Deal programmes https://www.gov.uk/government/collections/the-investment-funds-programme#:~:text=Investment%20funds%2C%20sometimes%20referred%20to,Deal%20and%20Devolution%20Deal%20programmes

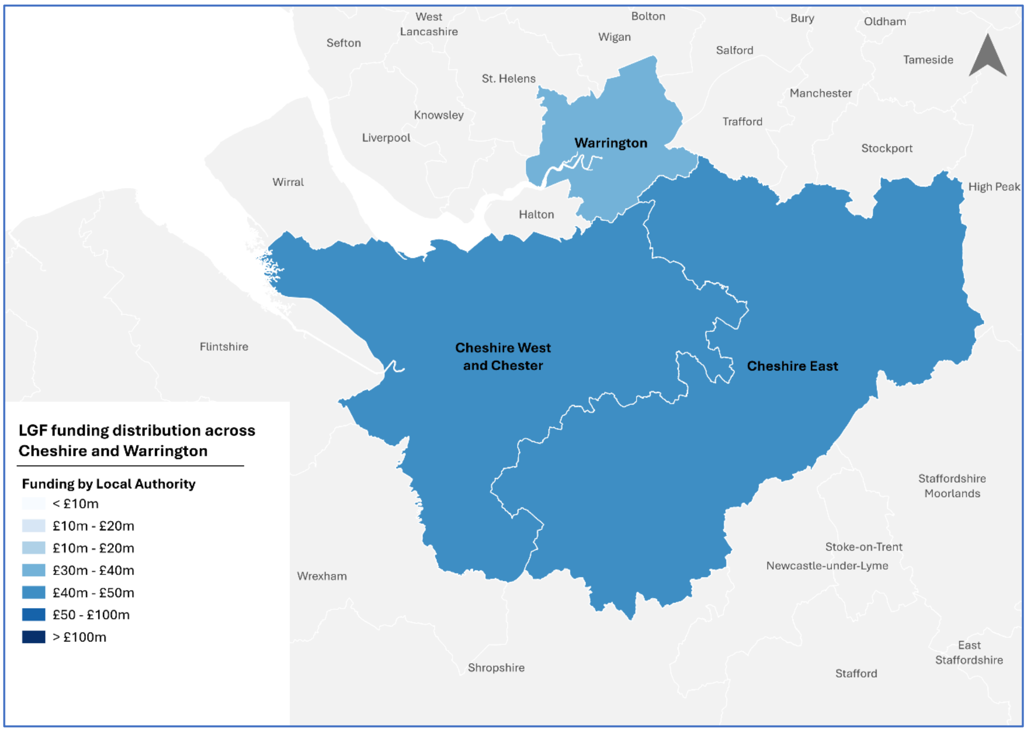
Case Study 2: Cheshire and Warrington

Background

This case study covers Cheshire and Warrington and its delivery of projects supported by an LGF allocation of £128 million and a GBF allocation of £16 million across three Growth Deals. The case study particularly focuses on the use of LGF funding to deliver skills capital schemes and enabling transport infrastructure.

Cheshire and Warrington Local Enterprise Partnership (LEP), located in the North West of England, comprised three unitary local authorities: Cheshire East, Cheshire West, and Chester and Warrington, as shown in Figure 2.1. LGF was primarily allocated to skills capital schemes (40% of projects, 13% of the budget) and transport schemes (30% of projects, 42% of the budget). Meanwhile, GBF funding supported five projects – focusing on employment, flood management, and urban sustainable transport.

Figure 2.1: LGF funding distribution across Cheshire and Warrington



Source: Map by Steer. Base map © Ordnance Survey. Data source: MHCLG Monitoring Data, March 2024

The region's first Strategic Economic Plan (SEP) was published in 2014 with a vision to *"be the best performing economic area outside of the Greater South East".*[15] The region was (and continues to be) characterised by a strong, diverse business base, a skilled workforce, and high-value job growth. It sits at the heart of England's manufacturing industry, with key sector strengths including advanced engineering; chemicals; life

[15] Cheshire and Warrington Strategic Economic Plan, 2014

sciences; energy and environment; finance and business services; and logistics and distribution. Its economy spans both urban and rural, with a thriving rural sector home to a wide range of businesses. It also has the second highest Gross Value Added (GVA) per capita in England outside of London.

Despite its strengths, Cheshire and Warrington faced challenges in maintaining its productivity advantage – and these challenges persist today. The region struggled with:

- Transport: Ensuring affordable and accessible transport for both rural and urban communities
- Housing: Providing well-located, affordable housing near jobs and services
- Skills: Developing a future-proof workforce, particularly in younger age groups, and improving graduate retention

The SEP was updated in 2017, with a renewed vision to *"to grow the economy's GVA £50 billion per annum by 2040, building on consistently the most successful economy in the North".*[16] The prior (2014) SEP had been developed to support the initial bid to LGF (Growth Deal 1) and therefore had a project and financial focus, rather than a strategic overview, which the revised SEP sought to bring.

The revised SEP, which guided later Growth Deals (Growth Deals 2 and 3) and the Getting Building Fund, shifted focus toward place-based growth. The original SEP emphasised sub-regional economic strengths through specific intervention priorities and themes. The revised version also highlighted the importance of "place"—recognising that social, physical, and environmental factors are essential for attracting and retaining skilled people to support economic growth. The strategy focused on key spatial growth opportunities, intertwined with the core surrounding cities of Liverpool and Manchester as well as partnerships with the Northern Powerhouse, Midlands Engine and North Wales, including:

- The Cheshire Science Corridor, a 40-mile corridor supporting biosciences, nuclear and chemical engineering businesses (amongst others)
- The proposed High Speed 2 rail connection and the Constellation Partnership area, which was set up to capitalise on the opportunities arising from High Speed 2
- Mersey Dee Economic Axis, which links the Northern Powerhouse with North Wales
- Warrington New City and the New Town development

Key features of portfolio and findings

Overview of the SEP

The revised SEP identified the following key priorities for driving growth:

1. Transport: While Cheshire and Warrington benefit from strong transport links, growing traffic congestion posed a challenge. The SEP emphasised

[16] Cheshire and Warrington Strategic Economic Plan, 2017

continued investment in local road networks and public transport to support the region’s labour market catchment area.
2. Skills: Gaps in technical, STEM, and digital skills were recognised as barriers to growth. The SEP prioritised future-proofing the workforce, focusing on the agritech and digital sectors, expanding STEM apprenticeships, and strengthening business engagement with young people to inspire careers in emerging industries.
3. Spatial priority areas: Targeted growth areas were identified as key to unlocking significant and catalytic employment land and housing opportunities. The plan emphasised improving transport links and addressing congestion pinch points in the transport network to unlock these developments.

LGF and GBF allocation

The sub-region has a population of approximately 970,000 and received:

- £127.7 million from the LGF, equating to £132 per person
- £15.5 million from the GBF, equating to £16 per person

LGF funding was allocated across a range of projects and primarily focused on skills capital and transport (see Table 2.1 below). Meanwhile, GBF focused on employment, flood management and urban sustainable transport, as shown in Table 2.2.

Table 2.1: Local Growth Fund Portfolio

Project type	No. LGF schemes / % of portfolio	LGF £m / % of budget allocation
Skills capital	23 / 40%	£17.1m / 13%
Transport*	17 / 30%	£53.3m / 42%
Innovation	8 / 14%	£19.1m / 15%
Public realm regeneration	4 / 7%	£24.5m / 19%
Employment	3 / 5%	£13m / 10%
Business support	1 / 2%	£0.7m/ 1%
Other	1 / 2%	£0.001m / 0%
Total	**57 / 100%**	**£127.7m / 100%**

**Transport classification includes road improvements, urban sustainable transport projects and rail projects.*

Source: LGF/GBF Monitoring Data, March 2024

Table 2.2: Getting Building Fund Portfolio

Project type	No. GBF schemes	GBF £m
Employment	**2**	**£5.1m**
Flood Management	**1**	**£5.1m**
Urban Sustainable Transport	**1**	**£5.2m**
Other*	**1**	**£0.16m**
Total	**5**	**£15.5m**

**Other classification refers to a management charge on the GBF programme*

Source: LGF/GBF Monitoring Data, March 2024

Project selection processes and portfolio design

The selection of projects for the first Growth Deal was guided by the original SEP. However, due to the lack of a strong pipeline of ready projects at the time, the selection process had to prioritise those that were deliverable and ready for funding, rather than alignment with a broader strategic growth strategy.

Project selection become more rigorous and strategically focused for subsequent Growth Deals, which were driven by the revised SEP. This revised approach prioritised alignment with the revised SEP and robust business cases, which the local authorities had more time to develop. Each of the three local authorities was invited to submit business cases for funding, ensuring the proposed projects were strategic priorities that addressed local needs. These proposals were then prioritised by the LEP Chief Executive and Directors of Place from each local authority, taking into account both local priorities and sub-regional growth outcomes, outlined in the SEP. Efforts were also made to ensure a fair distribution of funding across the local authorities.

> "Our outcomes are at sub-regional level, but we want to work with local authorities to ensure that there are projects across Cheshire and Warrington. It's politically important for local authorities to see something in their areas and for us it's important that projects take forward the outcomes that we set out to achieve." – LEP stakeholder

Ministerial guidance also influenced allocations, with the LEP initially prioritising projects supported by the Department for Transport (DfT) and Department for Education (DfE), particularly transport schemes. As a result, project selection aligned with local priorities, sub-regional growth outcomes and national objectives. Transport is often seen as enabling infrastructure, with effective transport infrastructure playing a crucial role in enabling economic development, social inclusion, access to markets, services and jobs.[17]

For skills funding, the approach evolved from investment in the infrastructure of a few colleges under the first Growth Deal to the provision of specialised equipment aimed at supporting the delivery of digital, science, technology, and engineering skills in the sub-

17 https://whatworksgrowth.org/wp-content/uploads/15-06-25_Transport_Review.pdf

region through the subsequent Growth Deals. This shift was driven by consultation with the LEP Business Board, who believed that investing in equipment would have a greater impact and was informed by labour market analysis on which skills should be prioritised. This is in line with international literature around skills development best practice which advocates investing in programmes and equipment in response to changing technology.[18] To facilitate this, the LEP introduced scaled and thematic funding pots with transparent scoring systems, ensuring that all colleges could bid into LGF. Additionally, the LEP encouraged colleges to build upon their sector specialisms rather than compete.

Features of the portfolio

STRATEGY

The LEP's ability to strategically allocate LGF was significantly shaped by the revised SEP, which placed greater emphasis on place-based growth and future-proofing the workforce. This ensured that investment aligned with sub-regional growth outcomes.

In addition, LGF was the first sizeable pot of money the LEP received and therefore it enabled them to deploy transformative capital projects, such as enabling works, unlocking housing and employment land. These types of investments were particularly impactful because they addressed pressing local needs—such as a lack of infrastructure, limited housing supply and constraints on business space—which had previously hindered economic development.

Crucially, these projects were largely led by local authorities, which had been operating under significant financial constraints with limited capital budgets. LGF therefore filled a vital funding gap, enabling local authorities to deliver infrastructure and development projects that would not have been possible otherwise.

By doing so, consultees highlighted that LGF and GBF successfully laid the foundation for future private sector investment and business growth. This was crucial for the rural economy of Cheshire and Warrington, which required substantial infrastructure and transport investment. Without this initial public sector match, which indicated confidence to the market, private funding would not have been leveraged. A key example is the Chester Drainage project, originally envisioned as a private sector-led development. However, due to economic challenges during the pandemic, the project became unviable without public intervention. Funding from GBF enabled the replacement of an over-capacity combined sewage system, which supports the viability of the wider Northgate Regeneration scheme and ensures more sustainable development in Chester city centre. The initial public investment strengthened the site's viability, attracting private sector investment in Phase 2 of the regeneration, which will unlock circa.400 new homes. In addition, consultees reported that the delivery of this project ultimately strengthened local authority credibility in delivering strategic sites, increasing partner confidence amongst the private sector.

> "The challenge was with the local authority-backed schemes, which are strategically important, but they don't have the capital to commit to it…We don't have all of the private sector leverage; it had to come from the public sector first." – LEP stakeholder

18 https://learningandwork.org.uk/resources/what-works/building-the-evidence/

While this demonstrates the importance of LGF in catalysing long-term economic growth, consultees noted that a stronger initial project pipeline, which considered a broader set of outcomes, could have enabled even more ambitious, higher-impact investments.

Furthermore, consultees reported that the strategic deployment of funds was somewhat constrained by the design of the single pot. While LGF provided flexibility to respond to local needs, national funding priorities and Ministerial steers did influence decision-making, particularly in transport and skills projects. This was largely because, in practice, the fund operated as a competitive bidding process. As a result, the LEP was encouraged to align their proposals with central government priorities to increase the likelihood of securing funding. While these external steers influenced the LEP's LGF portfolio, they were broadly aligned with the revised SEP. Consequently, although consultees viewed them as a constraint in the Fund's design, they did not fundamentally hinder the LEP's ability to leverage LGF for economic growth.

"The fact there was a single pot clearly helped – able to bid for things that mattered most in theory, but the money was tied to Departments, so it was somewhat limited."– LEP stakeholder

SYNERGIES

In the first Growth Deal projects were largely developed in isolation, limiting synergies across the portfolio. The LEP's infancy meant that a forward-looking pipeline, aligned to sub-regional growth outcomes, had not yet been developed. As a result, early LGF projects were largely selected based on "shovel readiness". Following the first Growth Deal, the LEP used recycled funds to invest in pipeline development. Consultees reported that earlier investment in project pipeline development could have allowed for a more proactive, synergistic approach from the outset of the Fund. By fostering closer integration between projects from the start, such an approach could have maximised the collective impact of investments, ensuring that projects supported others and contributed more effectively to shared long-term growth ambitions.

For Growth Deals 2 and 3, the LEP adopted a more place-based approach, which naturally resulted in projects that were more synergistic and aligned with sub-regional priorities. For example, *the Advanced Construction Training Project*, a centre for promoting digital technologies and skills in the construction industry, invested in local talent to support the sub-regions housing delivery targets. Additionally, numerous enabling projects, for example Chester Drainage Tunnel and Congleton Link Road helped unlock housing opportunity sites.

"All local authorities had jobs and housing targets…we focused synergies through delivering enabling works to unlock housing and employment in strategic areas… LGF was the first sizable pot of money we could use for that". – LEP stakeholder

In addition, more natural synergies emerged over time, for example the Advanced Construction Training Project was funded alongside the Advanced Manufacturing Engineering and Training Centre, allowing Warrington and Vale Royal College to realise their own project – a specialist Construction and Civil Engineering academy which opened in October 2023. The project was developed off the back of the LGF skills investment and will deliver specialist construction skills in the sub-region. The college reported that their close working relationship with the LEP, as the fund administrator, and their shared vision for enhancing the local skills base were key enablers in project delivery.

"Because [some skills] projects ran concurrently they were symbiotic. I was constantly thinking about outputs of both projects, for example employer engagement." – LGF beneficiary

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For GBF, the "shovel-ready" requirement constrained synergy-building. Although some projects built upon LGF investments, the short funding window limited the LEP's ability to maximise cross-project linkages. The emphasis on projects being shovel-ready meant that opportunities to create integrated solutions that might have generated greater impact across the region were missed. This highlights a broader challenge in single pot funding—while it allows flexibility, short funding windows can hinder long-term strategic planning.

PARTNERSHIPS

LGF played a crucial role in fostering partnerships, many of which remain active today. One of the most significant outcomes was the strengthened collaboration between local authorities, colleges, and businesses in addressing regional skills needs. Unlike the previously siloed approach to further education, LGF investment facilitated knowledge-sharing and collaboration, leading to a more cohesive regional skills strategy.

A key strength was the LEP's use of labour market data to inform skills investment. Businesses advised colleges on skill gaps, and the LEP's role in sharing workforce analytics enabled institutions to align their strategies with the sub-region's business needs. This data-driven approach, which is now a model way of working for the region, and has significantly improved the responsiveness of skills provision, increasing the sub-region's competitiveness.

"The LEP has now shifted to become Enterprise Cheshire and Warrington, and the Combined Authority is being set up – labels have changed but the approach to being data driven is well established in the work we do and the strong employer input has continued" – LEP stakeholder

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The shift towards collaborative working also had tangible funding benefits. Colleges that had historically operated in competition and siloes. LGF led to them adopting a referral system, directing businesses, researchers and students to the most suitably specialised institutions and highlighting each other's talents. This unique, collaborative model was later recognised as best practice by DfE. Furthermore, by leveraging partnerships established under LGF, local colleges have successfully secured millions of pounds of additional investments, including the bid for the Institute of Technology, the Strategic Development Fund and the Town Deal Fund. These successes illustrate how LGF acted as a catalyst for sustained regional skills collaboration and investment.

“It was a fairly novel [collaborative] approach adopted by local colleges. Now we’re bidding for the Institute of Technology. The work [under LGF] was the foundation for us working together on this bid.” – LGF stakeholder

INNOVATIVE FUNDING MECHANISMS

To address the key challenge of pipeline development, the LEP recycled funds from the Enterprise Zone and Growing Places Fund – specifically, money that had been repaid from earlier loans –to invest in business case development. This enabled them to take a more strategic approach to planning for the second and third Growth Deals.

Recycling funds is a common way the public sector can support new activity without waiting for additional funding from central government. In this case, it was an innovative way to overcome some of the limitations of the Fund design, such as the lack of revenue funding and tight funding windows, and helped the LEP transition towards a more strategic approach.

“[For transport schemes] We were reliant on schemes coming forward from local authorities. [For LGF1] It was *‘this is what we have’,* not so much *‘what are our priorities and where can we develop a solution’.* Then we used the next three years to fund a pipeline… It’s a constant lesson that we’ve not forgotten” – LEP stakeholder

Another key funding challenge, consultees highlighted was that while capital investment enabled the purchase of specialised equipment for colleges, there was no dedicated revenue funding for training on how to use it. This restriction was viewed as short-sighted by consultees, limiting the full impact of skills investments. Similarly, while recycled funds improved project pipeline development, consultees suggested that initial revenue investment in strategic planning could have further enhanced portfolio outcomes.

“We wanted equipment to benefit new people and grow the delivery of skills in areas where organisations were working – not having revenue didn’t help with that.” – LEP stakeholder

IMPACT OF A ‘SINGLE POT’ APPROACH

The single pot approach played a key role in enabling Cheshire and Warrington LEP to adopt a more strategic, place-based investment model. By consolidating funding streams, the LEP was able to prioritise projects that aligned with cross-cutting policy themes and sub-regional outcomes, such as strengthening the local skills base while simultaneously enhancing employment infrastructure to drive sustainable growth. This integrated approach also improved project delivery. For example, the Congleton Link Road project combined road improvements and active travel provision under a single funding source, enabling a more holistic solution.

Administering the single pot also fostered stronger regional partnerships, particularly in the skills sector. The LEP was able to strong encourage partners to work closely on bids for the Local Growth Fund, working towards a shared regional vision shaped by the Strategic Economic Plan (SEP) and a way from a competitive, siloed skills landscape.

The LEP's effective administration of both the LGF and GBF further supported flexible and responsive project delivery. Beneficiaries consistently reported strong working relationships and a clear sense of shared vision for local growth. This flexibility proved vital during the COVID-19 pandemic, when some skills projects were able to quickly redirect funding to provide laptops and digital access for students on free school meals, something that may have faced delays or limitations under a centrally managed model.

However, the single pot approach was not without constraints. Ministerial steers influenced project selection, pushing the LEP to align proposals with national priorities to secure funding. Nevertheless, this was mitigated by a rigorous local prioritisation process that ensured alignment with local l needs and sub-regional strategic objectives, guided by the SEP.

Portfolio impacts

Outputs

Table 2.3 summarises the overall outputs delivered under the LGF and GBF portfolio against key priorities (as of March 2024). However, the impact of the pandemic on data collection and monitoring processes likely means that the reported outcomes understate the full extent of achievements.

Table 2.3: Actual outputs achieved by LGF and GBF Portfolios as of March 2024

Measure	LGF	GBF	Total
New jobs	9,183	555	9,600
New construction jobs	n/a	408	408
Area of new or improved learning/training floorspace (m2)	12,718	-	17,131
Number of New Learners Assisted (in courses leading to a full qualification)	5,128	-	5,587
Commercial floorspace created (m2)	414,299	9,344	13,762
Commercial floorspace occupied (m2)	28,343	-	28,343
Housing units delivered	5,528	-	4,251
Length of new or resurfaced road (km)	13.42	-	1,412

Source: LGF/GBF Monitoring Data, March 2024

A range of wider benefits will have also resulted from LGF and GBF. These include new apprenticeships, safeguarded jobs, green space improved, road and infrastructure delivery, the creation of research and development facilities and business innovation and productivity.

Outcomes and Impacts

Many consultees highlighted the significant leveraging of investment into the sub-region as a key long-term outcome of LGF funding. Notably, the LGF programme attracted £99.9 million in private sector investment and £219.4 million in public sector investment. The initial funding facilitated critical enabling infrastructure, such as road improvements and business park development, which are expected to unlock further jobs, homes, employment land and subsequent private investment and economic growth. However, in most cases, it remains too early to definitively assess the long-term impact on economic development.

Furthermore, LGF played a vital role in future-proofing the region's workforce in high-value growth sectors such as advanced manufacturing and digitalisation, through investment in specialised equipment. As well as fostering long-term sub-regional partnerships, particularly in skills provision, where collaborative working has driven sustained investment into the sub-region, through collaborative future funding bids. This work has also strengthened partnership working between businesses and further education providers, ensuring better alignment between skills provision and labour demand in the region. However, consultees felt that the lack of revenue funding limited the full potential of skills investment. Future funding design should consider the addition of revenue support to maximise long-term impact.

While synergistic impacts within the portfolio strengthened over time—particularly through place-based growth hubs and the alignment of skills equipment provision with regional priorities in construction, housebuilding, STEM manufacturing, agriculture, and digitalisation—opportunities for cross project synergies were limited in the early rounds of LGF. This was largely due to the absence of a strategic SEP and a well-developed project pipeline, a challenge further exacerbated by the lack of revenue funding to support early-stage project development.

The LEP's shift from a reactive to a more strategic investment model reflects a clear evolution towards a longer-term, more impactful approach to local growth, better aligned with maximising the sub-region's growth outcomes. Consultees agreed that the single pot funding supported this transition, enabling the LEP to bid for projects that best aligned with local priorities. They highlighted the LEP's administration of LGF and GBF as a key strength. Project beneficiaries reported strong working relationships with the LEP and a shared common goal, which allowed for more flexible and smoother delivery.

Notable Projects

This section provides examples of five key local projects, exemplifying the Cheshire and Warrington LGF and GBF portfolio. The projects focus on enabling works and skills capital investment. The examples chosen highlight good practice examples of partnership working and innovative approaches.

Key output metrics

Table 2.4 below provides key output metrics for four key local projects.

Table 2.4: Notable projects key output metrics

Outputs	Winsford Industrial Estate	Chester Drainage Tunnel	Congleton Link Road	Advanced Construction Training	Reaseheath Centre for Dairy Automation and Robotic Milking
No. of new jobs	280	338	3,000 (forecast)		50 (forecast)
Hectares of employment land unlocked	30				
No. of new homes built			1,260		
Commercial floorspace created (m^2)		9,344	37,055		
Public realm space improved (m^2)		5,500			
New learning/training floorspace (m^2)				558	32
No. of new learners assisted (in courses leading to full qualification)				3,135	

Source: LGF/GBF Monitoring Data, March 2024

Project Overviews

WINSFORD INDUSTRIAL ESTATE

The Winsford Industrial Estate is a £10.9m road improvement project, supported by a £3.8m contribution from LGF. Following investment from Cheshire West and Chester Council and LGF**,** 30 hectares of employment land were unlocked at **Winsford Industrial Estate.** The Estate is a key strategic employment site, supporting over 4,000 jobs. Its expansion is a major land/property investment opportunity in the **Constellation Partnership Prospectus** and a priority for the local authority and Mid-Cheshire Development Board. The Constellation Partnership gateway site has the potential to deliver over 100,000 homes and over 100,000 jobs. It is designated as a key spatial priority area for housing and employment in the LEP’s 2017 SEP.

LGF contributed to critical enabling infrastructure, unlocking a designated greenfield site for high-value employment uses. Investment will deliver high-value B use-class floorspace, primarily targeting the manufacturing and advanced manufacturing sectors. The development aims to provide a range of plot and unit sizes, with a focus on smaller units to support high-growth SMEs.

CHESTER DRAINAGE TUNNEL

The **Chester Drainage Tunnel** is an £8.4m flood management project, supported by a £5.1m contribution from GBF. The project was a critical component of Phase 1 of the **Northgate regeneration scheme**, providing essential infrastructure to support sustainable development in the city centre. The project replaced a combined sewer system, which was at capacity. It delivered environmental and operational benefits, including reducing city centre flooding and reducing untreated sewage discharges into the River Dee during heavy rainfall.

The initial GBF funding and project has unlocked phase 1 of the Northgate scheme, which has delivered a new public square, an indoor market hall, co-working office spaces and retail space. Phase 2 will unlock 400+ new homes. The local authority initially acted as the developer for Phase 1 to demonstrate the site's viability. Phase 2 is expected to attract significant private sector investment, leveraging the local authorities initial strategic investment.

“The way the funding was distributed - with a local source [the LEP] - simplified things to move forward and enabled us to move quickly.” – GBF beneficiary

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CONGLETON LINK ROAD

Congleton Link Road is a £90.7m road improvement project, supported by a £7.7m contribution from LGF. The **Link Road**, part of **Cheshire’s Science Corridor**, is a 3.5km route connecting the A534 Sandbach Road with the A536 Macclesfield Road. It also provides a vital link to Radnor Park Industrial Estate, significantly improving connectivity and transport links for the 26 businesses based there.

Since opening, the link road has reduced congestion, improved journey times and enhanced accessibility in surrounding areas. Additionally, the scheme will improve active travel by providing new cycling infrastructure and reducing traffic in the town centre, creating opportunities for further investment in active travel provision within the centre. In the long term, the project will contribute to improved air quality and increased investment in Congleton.

“LGF enabled the delivery of the infrastructure before it was needed which was key to growth. Now every future development application doesn’t need to worry about infrastructure provision”. – LGF beneficiary

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ADVANCED CONSTRUCTION TRAINING

The Advanced Construction Training (ACT) project is a £571k skills capital project, supported by a £260k contribution from LGF. The ACT centres are designed to drive collaboration between partner colleges and employers in Cheshire and Warrington to develop, commercialise and promote digital technologies for the construction industry and support the industry to build high quality, smart, green and efficient buildings and supporting infrastructure. The main hub is situated at Warrington & Vale Royal College’s Warrington campus, with spokes across other Further Education colleges in the sub-region.

LGF investment has delivered new specialist equipment for the centres, such as drones, 3D printing and Virtual Reality (VR) headsets. The investment enables the colleges to develop into sub-regional ‘centres of excellence’ for advanced construction and meet local employers’ needs. In addition to the colleges, the specialist equipment will be accessible to employers, other training providers and schools across Cheshire and Warrington.

“The project allowed us to get to the heart of meeting local skill needs and priorities. It [the single pot] gave us more flexibility and to be able to have conversations with the LEP the whole way through.” – LGF beneficiary

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REASEHEATH CENTRE FOR DAIRY AUTOMATION AND ROBOTIC MILKING
The Reaseheath Centre for Dairy Automation and Robotic Milking project is a £736k skills capital project, supported by a £656k contribution from LGF. The Centre was designed to address the evolving STEM skills needs of the dairy sector in Cheshire. The project is driven by the LEP's focus on STEM and driving high quality jobs in data analysis (outlined in the SEP).

The Centre will play a pivotal role in meeting the skills demands of the region, by equipping young people with training in digitalisation, robotics, and data-driven dairy management. By integrating cutting-edge technology and skills training, the Centre will play a significant role in creating future high-quality jobs in the sub-region and supporting the dairy industry in boosting productivity, sustainability, and long-term competitiveness.

"We [the college] have challenges where Government Departments aren't joined up because what we do isn't siloed – what we do is spread across DfE, DEFRA and DBT, it requires flexibility to be able to use funding across Departments." – LGF beneficiary

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Lessons Learned

Overall lessons on barriers and enablers to achieving success and impact included:

The **single pot of funding was a significant enabler**, allowing the LEP to allocate resources in line with both **local and sub-regional priorities** while maintaining the **flexibility to respond to emerging economic needs**. However, the autonomy of project selection was somewhat limited by Ministerial guidance and the funding restrictions tied to specific government departments (e.g., the Department for Transport and the Department for Education).

A shift towards **place-based growth** and **spatial prioritisation** played a crucial role in **maximising sub-regional outcomes**. This shift was particularly impactful in transport and enabling infrastructure investments, which were essential for **supporting sustainable economic growth** and improving connectivity.

Additionally, targeting **high-value growth sectors,** such as advanced manufacturing, digital, and STEM industries, will contribute to future-proofing the sub-regional economy by equipping the workforce with skills aligned with **emerging industry needs**.

Strong collaboration between local authorities, businesses, and colleges emerged as a key enabler of effective project delivery. This partnership approach strengthened strategic planning, **improved alignment between skills provision and employer demand**, and enabled future collaborative funding opportunities. The relationships built through LGF and GBF remain active and continue to play a **key role in driving sub-regional investment strategies.**

Skills investment remains a key sub-regional priority, with an emphasis on **data-driven approaches to align training with employer demand**. This approach has now been fully embedded into sub-regional economic planning, helping to meet the evolving needs of employers.

The **administration of funding at the LEP level** was widely recognised as a major strength. Having a local coordinating body enabled closer engagement with project beneficiaries, more responsive decision-making, and smoother project delivery. Beneficiaries reported that **alignment of key goals and collaborative working relationships** were critical factors in ensuring the flexible implementation of projects.

The **lack of revenue** funding presented two primary challenges. First, it **limited early-stage project development**, meaning that early investments were driven by “shovel readiness” rather than strategic alignment, To mitigate this, the LEP implemented a strategy of recycling funds to support long-term pipeline development. Pipeline development and strong business cases remain a central focus of investment strategy for *Enterprise Cheshire and Warrington* (formerly the LEP).

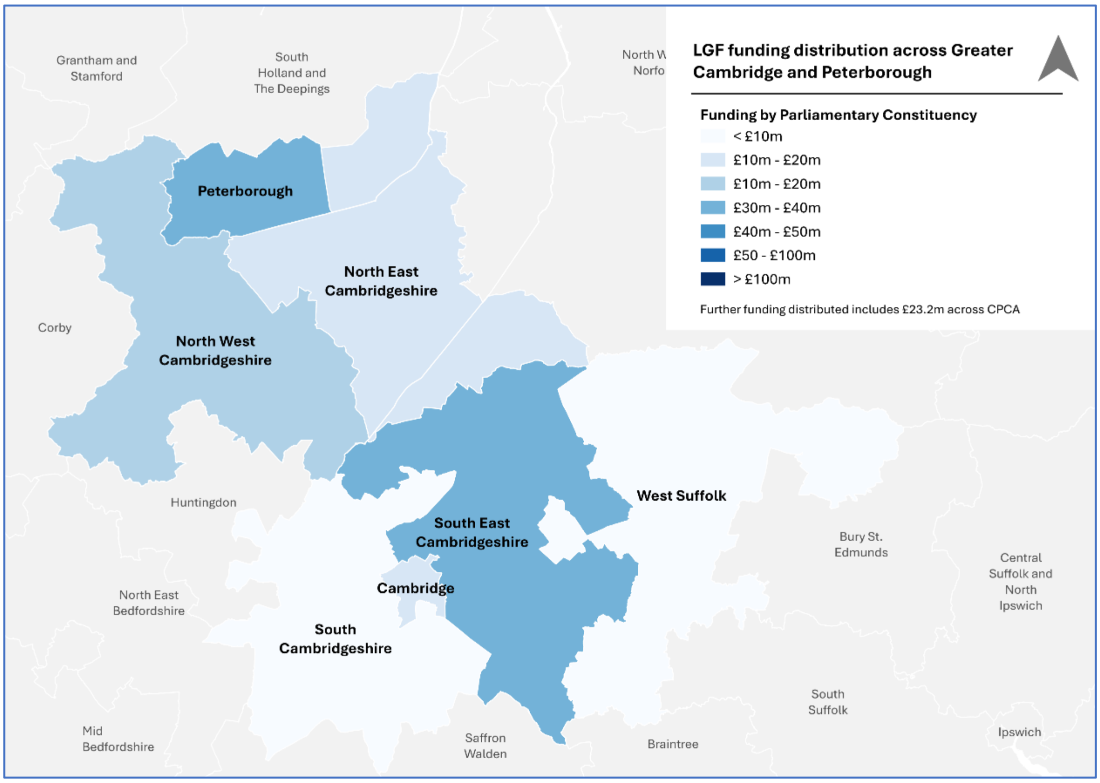
Second, the **lack of revenue funding constrained the full potential of skills investment**, limiting the LEP’s ability to reach a broader range of learners and businesses. Future funding approaches should prioritise revenue funding to complement capital investments, ensuring that skills and infrastructure projects achieve maximum impact.

Case Study 3: Greater Cambridge & Greater Peterborough

Background

This case study focuses on the Greater Cambridge Greater Peterborough region, and its use of LGF and GBF funding to drive a portfolio of innovation-focused investments, focusing on investment in high-value local jobs.

Figure 3.1: LGF funding distribution across Cambridge & Peterborough



Source: Map by Steer. Base map © Ordnance Survey. Data source: MHCLG Monitoring Data, March 2024

The first tranche of LGF funding, Growth Deal 1, was announced in 2014. £146m in funding was allocated to Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGP LEP). The LEP comprised 14 members, including a range of business leaders and leaders of local councils, with Cambridgeshire County Council as the accountable body. It encompassed 15 local authorities, including all of Cambridgeshire plus also areas of Norfolk, Suffolk, Essex and others. The LEP area, situated in the South East of England, encompassed two cities – the internationally recognised university city Cambridge (population 150,000) and the slightly larger Peterborough (population 190,000), and surrounding rural areas such as Rutland and Fenland, as shown in Figure 3.1.

In 2017, several concerns were raised around the operation of the LEP. These included concerns around the way conflicts of interest were managed, a perceived lack of transparency around decision-making, and a perceived lack of clarity about the relationship between the LEP and local lobbying groups.[19] Sparked by these concerns, the National Audit Office launched a broader investigation into MHCLG's oversight of LEPs. During this investigation, Greater Cambridge Greater Peterborough LEP's funds were temporarily withheld. Actions were taken by the LEP in response to the concerns raised, however these were not considered satisfactory by MHCLG. In December 2017, the LEP went into voluntary liquidation.[20] Cambridgeshire and Peterborough Combined Authority (CPCA) was formed in March 2017 and is a Mayoral Combined Authority (MCA) comprising six district councils. The MCA covers a somewhat narrower geographic area than had been covered by the LEP. Alongside the MCA, a Business Board was established, to ensure the newly formed MCA had access to a 'business voice' as part of its decision making. The Business Board comprised entirely new personnel compared to the previous LEP, and brought together business representatives from a range of difference sectors and specialisms.

This case study focuses primarily on the distribution of the remainder of the LGF funding – by the Cambridgeshire and Peterborough Combined Authority, in partnership with its Business Board – after the liquidation of the LEP had occurred. The newly formed CPCA and Business Board chose to develop a focus for the remainder of the LGF funding which was strongly centred around innovation projects and high-value job creation. The approach taken is explored in detail within this case study.

Key features of portfolio and findings

Project funding

Table 3.1 shows the distribution of LGF funding in the region. GBF funding, as shown in Table 3.2, was almost entirely used to fund further development of ARU Peterborough University (described in the notable projects section below), with this one project securing £13.8 million of the total £14.6 million GBF funding allocated.

The sub-region has a population of approximately 897,000 and received:

- £146.7 million from the LGF, equating to £164 per person
- £14.6 million from the GBF, equating to £16 per person

Table 3.1: Local Growth Fund funding distribution

Type	No. projects	Funding allocation
Business Support	9	£21m
Employment	18	£32m
Innovation	1	£500k
Other	2	£5m
Rail Transport	3	£9m

[19] Investigation into the governance of Greater Cambridge Greater Peterborough Local Enterprise Partnership

[20] Governance and departmental oversight of the Greater Cambridge Greater Peterborough Local Enterprise Partnership - Committee of Public Accounts - House of Commons

Regeneration & public realm	2	£1.5m
Road Improvements	5	£47m
Skills Capital	10	£31m
TOTAL	**50**	**£147m**

Source: LGF Monitoring Data, March 2024

Table 3.2: Getting Building Fund funding distribution

Type	No. projects	Funding allocation
Regeneration & public realm	1	£0.8m
Skills Capital	1	£14m
TOTAL	**2**	**£15m**

Source: GBF Monitoring Data, March 2024

Approach to project selection and portfolio design

The newly formed CPCA and accompanying Business Board developed a process by which funding applications could be invited and sifted. Interviewees described this as a rigorous, multi-phase process. Initially, applicants were asked to submit an expression of interest. These were scored internally by CPCA officers, based on criteria such as the cost per job created and strength of alignment with local priorities. If successful at this stage, projects would then move through to preparing a full business case, which was subject to an external appraisal. Projects worth more than £500k were required to present their project in person to the Business Board.

Interviewees told us that the focus on high-value job creation was made clear to applicants from the very first stage of the application process. Applicants were required to state the number of direct and indirect jobs that would be created through the project, and the cost for each job created. This focus on high-value job creation was reported to have been jointly decided on by the CPCA and Business Board, reflecting the evidence and direction provided in the Cambridgeshire and Peterborough Independent Economic Review, which references a target to increase economic output (as measured by GVA) by nearly 100% in 25 years, from around £25 billion to close to £50 billion.[21] This target was a key component of the 2017 Devolution Deal with government.

> "It was always very clear from the application form that we'd be focusing on job creation and GVA. Previously we'd experienced that projects were pet projects from districts. But this time we wanted to be very focused on jobs/growth" – Programme stakeholder

In total, £147million LGF funding and £15 million GBF funding was allocated to Cambridgeshire and Peterborough Combined Authority. Table 3.1 shows the distribution of LGF funding by project type, and demonstrates the importance of employment and skills projects, which together comprise more than half of all projects and just under half of all funding.

[21] https://www.cpier.org.uk/final-report/

Features of the portfolio

SYNERGIES

The projects within CPCA's portfolio were carefully selected to align with the Local Industrial Strategy (LIS), ensuring a strong focus on supporting business and addressing key regional needs. This strategic approach was evident in the robust project selection process, as described above. Though not necessarily by design, stakeholders reported that synergies emerged within the portfolio, particularly where sets of projects supported one another to deliver similar goals. For example, the North Cambridgeshire Training Centre (described in 'notable projects' below) worked alongside a related project in the same geographic area, both helping to develop high-value jobs in a deprived area. Similarly, ARU Peterborough University resulted in the creation of numerous partnership opportunities and synergies with various companies and activities in the region. These synergies were often facilitated by CPCA making connections between projects.

PARTNERSHIPS

The Business Board played a key role in supporting local partnerships, encouraging partnership formation and seeking to leverage the expertise and resources of a wide range of local organisations and specialists. Stakeholders reported that this was particularly driven by the Business Board, who placed a strong emphasis on partnership formation, which they felt had been historically poor in the region, rather than by the LGF mechanism per se.

> "LGF absolutely helped to form partnerships. It was encouraged by the Business Board. They wanted to see organisations working with other organisations, and pulling in expertise, and all of those sorts of things. It was encouraged as part of the application process. I think they felt that opportunities were being missed because people weren't joining up/sharing ideas, so that's why they wanted to encourage that. It's not exactly LGF that encouraged it, it's the Business Board." - Programme stakeholder

INNOVATIVE FUNDING MECHANISMS AND STRATEGIC OUTCOMES

Innovative funding mechanisms were also a key feature of the CPCA portfolio. Again, stakeholders reported that this was primarily driven by the desires of the Business Board, but also that LGF gave the flexibility and opportunity for such mechanisms to be used. The CPCA utilised advanced loans and equity investments within its portfolio.

> "Going through the Business Board… it was businesses dealing with businesses. I think [projects] felt that when they were talking to the organisation, they were talking to businesses. They felt there was a good understanding of how things worked, and they were able to be a bit more dynamic/innovative in how they approached things" – Programme stakeholder

The single pot approach also facilitated a more strategic and synergistic portfolio by allowing for larger, more impactful projects rather than numerous smaller ones. This approach enabled CPCA to take a longer-term view and focus on projects with broader, more strategic impacts. However, it also required careful management to ensure that the diverse range of projects within the single pot were effectively coordinated and delivered.

Overall, the LGF/GBF portfolio was viewed by projects to have been successful in creating a strategic, synergistic, and innovative project portfolio that fostered local partnerships and leveraged new funding mechanisms. The single pot approach played a significant role in enabling these features, providing the flexibility and scale needed to achieve the portfolio's objectives.

Portfolio impacts

Overall, the portfolio was considered by stakeholders to have been successful in creating significant positive changes in the region. One of the primary measurable outputs was job creation, particularly high-value jobs. Table 3.3 shows a range of key outputs recorded for the portfolio, including the notable job creation figures.

Table 3.3: Key outputs reported for LGF and GBF

Output	LGF	GBF
Jobs created	20,183	592
Learning / training floor space created or improved (metres squared)	11,832	-
New learners assisted	3,959	-
Commercial floorspace created, refurbished and occupied (metres squared)	134,292	2,200

Source: LGF/GBF Monitoring Data, March 2024

The portfolio also delivered several non-measurable outcomes, including development of local partnerships, boosting skills levels in local communities, and addressing pockets of local deprivation and poor social mobility. The flexible single pot was instrumental in delivering these benefits, through its role in offering the opportunity to use funding to concentrate on large projects that responded to local need (such as the need for a local university), and the flexibility to adopt innovative funding mechanisms. However, equally important, in the view of stakeholders, was the role of the Business Board, who played a strong role in advocating for the type of projects and partnerships that were formed through the portfolio.

Notable Projects

This section provides examples of three key local projects, exemplifying the Cambridge and Peterborough LGF portfolio. They focus on employment and skills capital.

Key output metrics

Table 3.4 below provides key output metrics for four key local projects.

Table 3.4: Notable projects key output metrics

Outputs	University of Peterborough	Cambridge Biomedical Campus - Multi Occupancy Building	North Cambridgeshire Training Centre
No. of new jobs	1,164	330	91
No. of new apprenticeships	110		
New or improved learning/training floorspace (m^2)	4,500		
No. of new learners assisted (in courses leading to full qualification)	1,260		94
Commercial floorspace created (m^2)		2,000	1,108

Source: LGF/GBF Monitoring Data, March 2024

Project Overviews

UNIVERSITY OF PETERBOROUGH

The University of Peterborough is a £27.5m skills capital project, supported by a £12.5m contribution from GBF. Funded and jointly owned via a joint venture between Anglia Ruskin University (ARU), CPCA and Peterborough City Council, this was a significant project to establish a new university, known as ARU Peterborough. Stakeholders reported that there had been a desire for a university within the city of Peterborough for 40 years, due to no existing higher education provision in the city.

At the time of writing, the university had been open for 2.5 years. It has already won several awards, including Times University of the Year and an award for social mobility. The university's curriculum was co-designed with industry, involving 170 local companies. It offers post-graduate courses, short courses, and apprenticeships. The campus boasts a unique ethos, with specialist labs visible to visitors – fostering a vibrant environment for upskilling and retraining. Stakeholders reported that they experience frequent 'walk-ups' from members of the local economy interested in attending the university and undergoing training.

The university's establishment was reported to have been driven by strong local and government support, addressing genuine skills needs and social mobility issues in the region. Stakeholders reported that both the single pot and the Business Board played important roles in facilitating creation of the project. The innovative funding mechanism (using grant funding to purchase equity in a joint venture) was welcomed by the Business Board. Meanwhile, the single pot permitted a large single investment in a new university, which was described by stakeholders as being challenging to achieve via traditional central government funding routes.

Though the university is still in early days of operation, key longer-term outcomes include increasing education levels amongst the local population, and driving productivity amongst local businesses, through the provision of tailored training and education programmes.

“[the project] really underpins the importance of local decision making. It’s very difficult to make noise about a non-existent university at a central government level. Because it was locally determined decision making, the area knew what it needed and was able to move forward with that” – GBF beneficiary

CAMBRIDGE BIOMEDICAL CAMPUS - MULTI OCCUPANCY BUILDING

The Cambridge Biomedical Campus - Multi Occupancy Building project is a £50.2m employment project, supported by a £3m contribution from LGF. This project comprised development of a speculative life science building (‘1000 Discovery Drive’) within the Cambridge biomedical campus. The initiative was driven by the need to cater to the rapidly emerging commercial biomedical sector in the UK, which lacked sophisticated real estate solutions. The project involved designing a flexible building capable of accommodating various types of companies within the biomedical sector. LGF funding was used to bridge a viability gap and cover the initial planning and development cost of £3 million (for the design of the building and to achieve planning consent). Once this initial stage had been undertaken, and the viability of the project confirmed, the building construction was entirely privately funded.

Despite challenges posed by the COVID-19 pandemic, the project successfully created a multi-occupancy building, which will be home to entities such as Cambridge University Hospital Trust and a leading European biomedical research company. This company had no presence in the UK prior to the leasing of 1000 Discovery Drive, and it is anticipated that it will invest large sums of R&D investment in the UK in coming years – facilitated by the space made available at 1000 Discovery Drive.

The project also provided space for critical hospital facilities, improving the overall quality of healthcare services in the region. Building on the success of the project, the developer is now working on plans for further developments. Future projects will be entirely privately funded, building on the proof of concept provided by 1,000 Discovery Drive.

“1,000 discovery drive was proof of concept, enabled by LGF. Now we’re starting to develop 2,000 discovery drive. We have no viability gap for 2,000 discovery drive, we’re able to fund that entirely privately.” – LGF beneficiary

NORTH CAMBRIDGESHIRE TRAINING CENTRE

The North Cambridgeshire Training Centre is a £4.1m skills capital project, supported by a £3.2m contribution from LGF. North Cambridgeshire Training Centre is a brand new, state of the art building in Chatteris, Fenland. It was established on a previously unused site next to *Stainless Metalcraft*, a manufacturing business working in the aerospace, defence and security sectors. The idea for the project originally came from the Managing Directors of Stainless Metalcraft, who approached CPCA and secured funding to build the centre. The aim of the project was to address the lack of training and upskilling opportunities in Fenland, which has historically experienced low education provision and poor transport links.

The centre provides training for apprentices, commercial training, and personal and professional development, with a focus on engineering. It is used by Stainless Metalcraft’s own staff, while also being open to the wider community. Alongside providing engineering-focused courses, it also offers a broader range of vocational courses such as healthcare, business management, and finance. The centre is not yet at full capacity, however it has made significant strides in engaging the local community and addressing the educational needs of the Fenland area.

> "It is filling a gap that was missing […] we didn't have any adult provision in the area for a long time, so that's a huge plus." – LGF beneficiary

The key lessons learnt for the project were around the need to proactively engage the community and make them aware of the training centre. Simply operating from within the building was found not to be effective; instead, engaging with local people and being present on the ground was crucial for success. Despite this challenge, the project was considered a success as it filled a significant training gap in the area.

Lessons Learned

The **single pot mechanism** was beneficial as it allowed for a broader, more strategic focus and enabled the funding of larger, more impactful projects.

The **Business Board played a crucial role** in driving a business-focused approach and ensuring that projects aligned with strategic priorities. Stakeholders reported that though the product of previous unfortunate circumstances (the liquidation of the LEP), the resulting Business Board was a strong, focused, and effective agent for change, which was far superior to the organisation(s) it replaced.

The **robust project selection process**, including an open call, EOI process, full application, and presentation to a panel, was effective in ensuring that only high-quality projects were funded.

Building and maintaining partnerships was essential for project success. ARU Peterborough university, for example, could not have gone ahead without a successful joint venture between Anglia Ruskin University, Peterborough City Council, and the Combined Authority.

Enabled by the **flexibility of the single-pot, and the Business Board's familiarity with a range of commercial mechanisms**, the area was able to take advantage of a range of innovative funding mechanisms to deliver key projects, using for example a joint venture arrangement to fund the new university project.

Stakeholders reported that **projects often underestimated the time needed to realise outcomes**. While construction of projects was relatively rapid, full exploitation of these projects (such as training centres being at full capacity, or new facilities being fully occupied) has not yet occurred for all projects. Community outreach and sector discussions have helped to enable the occupation and use of new facilities, but this is still an ongoing process, with some long-term outcomes still emerging.

The **COVID-19 pandemic significantly impacted project timelines and outcomes.** Many projects underestimated the time required to deliver outcomes, leading to delays. Flexibility was essential to accommodate these delays.

Area-based theories of change

West Yorkshire Theory of Change

Strategy

Context & rationale

West Yorkshire comprises 5 local authorities (Leeds, Bradford, Kirklees, Wakefield and Calderdale) with a population of 2.4 million.

LGF proposals also covered the wider Leeds City Region (LCR) including Barnsley, York and parts of North Yorks

Its large economy has concentrations of manufacturing and engineering and strengths in finance/professional services, health, creative and digital

GVA was (and is) below national average and unemployment above it. Multiple places striving to regenerate following industrial decline.

The LCR SEP underpinned LGF and GBF. The 2016 SEP vision was to be a '*globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone*'. Four strategic priorities supported this (see next column).

GBF also delivered West Yorkshire's Covid-19 Economic Recovery Plan to limit impacts and build back a better economy – with a lower carbon footprint, greater equality, more good jobs, and more resilience.

A LEP project selection process assessed local authority and partner proposals against local, sub-regional, and national priorities.

Objectives

LGF Priority Objectives

1.Growing Business - support business to expand & create jobs

2.Skilled People, Better Jobs – enhance college estate and student learning experience

3.Clean energy & environmental resilience - reduce business energy consumption and waste, and reduce fuel poverty

4.Infrastructure for Growth - support development of housing and commercial sites; improve transport connectivity; increase resilience to flood risks; and support Enterprise Zone development and investment.

GBF Objectives

- Support businesses to safeguard and create jobs
- Support 'shovel ready' infrastructure projects that support construction jobs and facilitate long-term employment growth
- Boost productivity
- Enable inclusive growth
- Tackle the climate emergency
- Deliver 21st Century Transport

Delivery

Inputs

Funding

LGF

- £516.4m allocation from the LGF between 2015-2021 (split £281m for transport under West Yorkshire plus Transport Fund; £235 for economic development')
- £719.5m in private sector match
- £1.414b in public sector investment

GBF

- £52.6m allocation for the GBF between 2020-2022
- £68.0m Local Authority match
- £2.5m public match
- £46.1m private match

Partners & Capacity

- LEP and Combined Authority Boards oversight and input
- Input and resource from partners, notably Local Authorities, in identifying and managing projects
- Establishment of capacity in WYCA, including new GBF team
- Consultancy expertise

Activities

LGF was allocated to*:

- 6 Growing Business projects totalling £62m
- 11 Skilled People Better Jobs projects totalling £79m
- 5 Clean Energy & Environmental Resilience projects totalling £13m

Infrastructure for Growth suite:

- 17 Housing & Regeneration projects totalling £42m
- 9 Economic Resilience (Flood Risk) projects totalling £20m
- 8 Enterprise Zone projects totalling £20m
- 32 Transport projects totalling £281m

GBF was allocated to:

- 5 Employment projects totalling £20m
- 3 Green Recovery projects totalling £5.1m
- 3 Transport* projects totalling £9.7m
- 2 Regeneration Public Realm projects totalling £9.6m
- 1 Business Support project totalling £8.2m
- NB 1 Digital Broadband Infrastructure project identified but did not proceed

**Arcadis (2021) Leeds City Region Growth Deal Independent Impact Evaluation 2015-2021*

Effects

Outputs

Delivered by March 2024:

LGF

- 33,900 Jobs created or safeguarded
- 4,986 Enterprises supported
- 4,135 New housing units
- 37,699 Sq m Commercial floorspace created
- 204 apprenticeships
- 9.35 km newly built roads
- 1,680,500 m2 Land with reduced flood risk

GBF

- 952 Jobs created or safeguarded
- 939 Construction jobs
- 260 Enterprises supported
- 563 Retrofits delivered
- 9,308 Sq m Commercial floorspace created
- 72,027,761 kg CO_2 avoided
- 100 Sq m new or improved learning floorspace
- 7,700 Sq m new or improved greenspace

Outcomes & Impacts

LGF

Outcomes

- Business growth & productivity
- Place making, regeneration and investment in major towns & cities
- Improved economic resilience
- Land unlocked for development
- Improved employment and skills

Impact

- Good Growth – combining high productivity, innovation and output; quality places, environments and connections; and good jobs incomes and less inequality

GBF

Outcomes:

- More resilient businesses
- Jobs paying the (real) living wage
- Reduced unemployment
- Reduced carbon impact
- Modal shift from cars to public transport and active travel
- Improved housing and access to education and jobs

Overall Impact

- Increased GVA

Cheshire & Warrington Theory of Change

Strategy

Context & rationale

Cheshire and Warrington Local Enterprise Partnership (LEP), comprised three unitary authorities: Cheshire East, Cheshire West, and Chester and Warrington.

The urban and rural economy was (and continues to be) characterised by a strong, diverse business base with high-value job growth, particularly in the manufacturing industry.

The region's 2014 Strategic Economic Plan (SEP) identified priority investment projects and guided GD1 funding to address key challenges, which were:

- Ensuring affordable and accessible transport for both rural and urban communities;
- Providing well-located, affordable housing near jobs and services; and
- Developing a future-proof workforce, particularly in younger age groups, and improving graduate retention.

The 2017 SEP refresh introduced a place-based growth strategy, shaping GF2, GD3, and GBF investments to support long-term economic priorities.

A bidding process was implemented where Unitary Authorities submitted proposals to the LEP, assessed against local, sub-regional, and national priorities.

Objectives

Investing in transport to expand job opportunities: Reducing traffic congestion through continued investment in road networks and public transport to expand the region's labour market catchment area.

Growing the local skills and business base: Tackling gaps in technical, STEM and digital skills by expanding STEM apprenticeships and enhancing engagement between businesses and youth in emerging industries.

Unlocking spatial priority areas for housing and employment: Unlocking housing and employment growth areas by improving transport links and addressing congestion pinch points.

Supporting the expansion of science and innovation: Working with strategic partners to capitalise on the region's science and innovation assets and strengths.

Delivery

Inputs

Funding

LGF

- £128 m allocation from the LGF between 2015-2021
- £99.9 m in private sector match
- £219.4 m in public sector investment

GBF

- £15.5m allocation for the GBF between 2020-2022
- £6.3m Local Authority match
- £2m public match
- £15.4m private match

Partnerships

- Advice from The LEP Business board, particularly on skills capital impact
- A new partnership between Further Education colleges, businesses and the Unitary Authorities to guide skills capital investment

Activities

LGF was allocated to:

- 23 Skills capital projects totalling £17.1m
- 17 Transport projects* totalling £53.3m
- 8 Innovation projects totalling £19.2m
- 4 Public realm regeneration projects totalling £24.5m
- 3 Employment projects totalling £13m
- 1 Business support project totalling £7.3m

GBF was allocated to:

- 2 Employment projects totalling £5.1m
- 1 Flood management project totalling £5.1m
- 1 Urban sustainable transport project totalling £5.2m

**Transport classification includes road improvements, urban sustainable transport projects and rail projects*

Effects

Outputs

Overarching Outputs

Strategic

- Improved vision for sub-regional growth

Economic

- 9,738 new jobs
- 408 new construction jobs

Thematic Outputs

Transport

- 13.42 km of new or resurfaced road
- 5,528 housing units delivered
- 423,643 m2 commercial floorspace created
- 28,343 m2 commercial floorspace occupied

Skills Capital

- 5,128 new Learners Assisted (in courses leading to a full qualification)
- 12,718 m2 new or improved learning/ training floorspace

Outcomes & Impacts

Outcomes- *Strategic*

- Enhanced regional partnership working
- Collaborative future funding bids, enhancing ability to leverage further private investment
- Improved project selection/ investment decision process

Outcomes - Economic

- Increased collaboration between education providers & businesses
- Enhanced skills provision to support growth e.g. construction
- Improved accessibility, journey times and safety
- Widening of labour markets through transport improvements

Impacts - *Strategic*

- Local and sub-regional priorities addressed, including transport, skills, housing, and employment-related growth.
- Improved economic resilience

Impacts - Economic

- Increased (gross) employment, GVA, productivity
- Employment growth in high value growth sectors
- Improved alignment between skills provision and employer demand
- Increased labour force participation
- Increased investment in local infrastructure

Cambridge & Peterborough Theory of Change

Strategy

Context & rationale

Greater Cambridgeshire & Greater Peterborough (GCGP) LEP was removed in 2018 and replaced by the Cambridgeshire & Peterborough Combined Authority (CPCA) Business Board.

Legal responsibility for LGF was transferred to CPCA, with oversight by the Business Board

Underpinned by the Cambridgeshire and Peterborough Independent Economic Review, a key focus of LGF and GBF investments was high-value job creation, innovation & life sciences

The sub-region has a population of approximately 897,000 and received:

£146.7 million from the LGF, equating to £164 per person.

£14.6 million from the GBF, equating to £16 per person.

Objectives

Enterprise

Boost start-up rates and improve access to enterprise finance

Science, innovation and industry

Help develop further manufacturing activities and success, to improve the performance of the business base through the adoption of ideas and innovations, and to better promote and champion the world-leading capabilities of the region's innovations, knowledge, technologies and industries

Employment and skills

Ensure that education and skills provision better match business needs, such as ensuring young people are sufficiently prepared for work.

Other objectives (not the focus of this case study) include those around transport, broadband, housing, and international recognition

Delivery

Inputs

Funding

LGF

- £147 m allocation from the LGF between 2015-2021
- £237 m in private sector match
- £89 m in public sector investment

GBF

- £15m allocation for the GBF between 2020-2022
- £0.5m Local Authority match
- £3m public match
- £0.2m private match

Partnerships

- Joint Venture set up between Anglia Ruskin University (ARU), CPCA and Peterborough City Council to establish a new university, known as ARU Peterborough.

Activities

LGF was allocated to:

- 5 road improvement projects, totalling £47m
- 18 employment projects, totalling £32m
- 10 skills capital projects, totalling £31m
- 9 business support projects, totalling £21m
- 3 rail projects, totalling £9m
- 2 other projects, totalling £5m
- 2 regeneration projects, totalling £1.5m
- 1 innovation project, totalling £500k

GBF was allocated to:

- 1 skills capital project (Peterborough University), totalling £14m
- 1 regeneration project, totalling £0.8m

Effects

Outputs

Overarching Outputs

Strategic

- Growing opportunities and supporting infrastructure for GVA growth in the region

Economic

- 20,183 new jobs
- 479 apprenticeships
- 134,292 m2 commercial floorspace created
- 138,162 m2 commercial floorspace occupied
- 3,996 housing units delivered
- 47.92 km of resurfaced roads
- 71.65 km of newly built roads

Thematic Outputs

Skills Capital

- 3,959 new Learners Assisted (in courses leading to a full qualification)
- 11,832 m2 new or improved learning/ training floorspace

GBF

- 591.5 jobs created
- 130 construction jobs
- 2,200 m2 commercial floorspace created
- 5 businesses assisted

Outcomes & Impacts

Outcomes- *Strategic*

- Enhanced regional partnership working
- Improved project selection/ investment decision process
- Development of an influential Business Borad with a strong local voice

Outcomes - Economic

- Enhanced skills provision tailored to needs of local businesses
- Enhanced social mobility amongst local populations

Impacts - *Strategic*

- Local and sub-regional priorities addressed, including transport, skills, housing, and employment-related growth.
- Improved economic resilience

Impacts - Economic

- Increased (gross) employment, GVA, productivity
- Employment growth in high value growth sectors
- Improved alignment between skills provision and employer demand
- Increased labour force participation
- Increased investment in local infrastructure