

HOTSW Investment Programmes

Highlight Report No 38 – SIP 3rd May 2018

Reporting period

April 2018

Summary Comments

There were no business case approvals at the April SIP but a variation was agreed to move funding between 2 Plymouth transport projects.

There is no significant change on the remaining GD2 project awaiting business case approval - the Exeter Science Park Open Innovation Building, which has been delayed due to business plan information being required. The business case is now expected to come to the June SIP for review.

The Q3 dashboard has been approved and sent to government. We are beginning work on the Q4 dashboard and are taking the opportunity to review the wider outputs for the programme as at end 17/18.

An expenditure profile for Q4 has also been produced with forecasts for future expenditure. The GD2 element has been updated to reflect actual spend on Growth Hub and HPTA/HPC supply chain projects, totalling £729k.

Growth Deals

Business cases and funding agreements

All GD1 business cases are approved or partially approved – with 3 remaining to finalise information for funding agreement. See table below for details of outstanding actions.

14 GD2 business cases are now approved in total – 8 in Unlocking Growth Fund (Claylands, Yeovil Innovation Centre, Highbridge, Wiveliscombe, Wells Enterprise Centre, Devonport, Caddsdow and South Molton Pathfields), EPIC Project, Oceansgate, Broadband, Tiverton EUE and Exeter Science Park Grow On buildings.

3 GD3 business cases are approved - South Devon College, Huntspill and Constructing Futures.

8 GD2 agreements (including Revenue projects) are signed with others in progress/near signing. 2 GD3 funding agreements are signed.

Outstanding GD1, GD2 and GD3 funding agreements are as follows:

Project	Funding Agreement Status
GD1	
Bideford – Heywood Road Junction	Drafted -Awaiting completion of s106 agreements. Update on timescales required.
Plymouth Charles Cross	Business case has programme entry approval. Funding agreement in development.

4G Mobile	First stage business case approved. Funding agreement to be developed. Update due at May 2018 SIP.
GD2	
EPIC	Drafting now complete, most conditions met. Awaiting letter regarding funding gap.
Unlocking Growth Fund	All allocated to 8 approved projects. 5 signed. 3 in development –Caddstown, Claylands. South Molton.
Exeter Science Park – Open innovation building	Business case in appraisal – more information required.
GD3	
Somerset Innovation Centre Phase 3	Pre-business case approval
CDS Phase 3 and Mobile	Pre-business case approval
iAero (South) Centre	Pre-business case approval
Blue Screen ICT	Pre-business case approval
Houghton Barton Package	Pre-business case approval
Taunton Toneyway	Pre-business case approval
Huntspill Energy Park	Business case programme entry approval March LTB.
Plymouth Central Station	Programme Entry – LTB Dec 2017
North Devon Innovation Centre	Pre-business case approval

Delivery – no update.

19 projects have completed spending their Growth Deal funding, including: Exeter Science Park GD1, Bicton HPTA, Plymouth College STEM centre, Somerset College ACE, Derriford Hospital, Huntworth Roundabout, A379 Junction, Bridge Road, Torquay Town Centre Access, Deep Lane, Roundswell, Bridgwater College Hinkley skills capital, Bicton HPTA, South Devon HPTA, Petroc HPTA, Exeter College HPTA, Yeovil College HPTA, Plymouth Science Park and UGF-Highbridge.

Monitoring will continue as per the projects' Monitoring and Evaluation Plans.

Programme Overview

	Comment	RAG
Timescale	Programme is live. Business case approval is complete for all but 3 GD1 and 1 GD2 projects. Business cases in development/appraisal for 8 GD3 projects, 3 approved.	A
Scope and objectives	Programme is within the scope and objectives agreed by LEP Board and government	G
Budget	Currently headroom from GD1 transport projects has been reallocated to topslice, overprogramming and a new GD3 project. Potential for further funds to be reallocated as overprogramming situation resolves.	G

Programme milestones and activities this period

Activity	Comment	Completion date
Funding agreements signed	43 funding agreements signed. Others in progress or outstanding as above.	Ongoing
Project business case approval	0 project received approval this month. Others ongoing	Ongoing
Claims paid	Claims paid to end Q4 17/18 total cumulative spend of approx £83m including accruals and Growth Hub/Rev GD2 projects.	Quarterly (based on January 2018 figures)
Monitoring and Evaluation	Complete reporting spreadsheet and dashboard for April review and sign off	20th April 2018

Other activities in next period Q1 18/19

Activity	Comment	Completion Date
Funding agreements to be finalised	In progress	Ongoing
Management of Expenditure	Regular meetings planned to review expenditure profile within SCC. PMO to continue with forecasting role.	Ongoing; PMO AB meeting 4 th May.
Monitoring and Evaluation	Q4 outputs update for July SIP and Q4 dashboard submission deadline.	20 th July

Critical risks and issues

Risk/issue	Management /Mitigation	Owner
Business case reviews show some projects cannot proceed on programme leading to slippage and underspend	Medium Risk. SIP, Leadership Groups and LTB to manage slippage across their portfolio of projects. UGF identified as means to utilise any underspend going forward.	SIP/Leadership Groups /LTB/ PMO
Reprofile of LGF budget to meet government requirements for annual spend causes delivery delays for some projects.	Low risk. SIP has discussed options for managing this with activities identified, leading to future Board decision as/when necessary.	SIP/LEP Leadership Groups/LTB/PMO

Budget summary – no update

Government funding of £197.83m available (not including Forder Valley Link Road) and £199.21m has been allocated by the LEP to projects/topslice giving -£1.38m of headroom, due to over programming with Tiverton EUE. However, this is subject to change as TEUE completes, Jn 25 M5 finalises costs and further funding comes in from completed projects spending slightly under budget. Edginswell funding has been reallocated to programme management costs and North Devon Innovation Centre. The budget is summarised below and reflects the previous work in progress on expenditure profile from project sponsors.

Updated to include 17/18 Q4 data and forecasts:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total
Forecast spend £m (GD1)	20.96	30.51	24.6	18.95	13.48	1.86	£110.3m £4m allocated to Edginswell is not included. Slippage of around £1m each year from previous qtr. No forecast underspends as now have been reallocated.
Forecast spend £m (GD2)	0	0.89	5.7	22.11	10.69	1.23	41.32 (inc Tiverton EUE overprogramme) Significant slippage into 19/20 compared to previous forecast. Includes £729k spend in 17/18 for Growth Hub and other revenue projects
Forecast Spend £m (GD3)	0	0	0.53	13.09	20.94	11.15	43.57 . Profiles updated from projects where possible. Around £4m slippage into later years. Includes Roundswell £2.15m
TOTAL	20.956	31.392	30.289	55.182	45.65	14.94	£197.36m PLUS TOPSLICE ALLOCATION OF £1.85m (overprog v's award of £197.83)

Growing Places Fund

Programme Summary

DC Homes –16 claims now paid – this is the last claim for GPF funding but progress claims will continue to be received until project completion.

Progressing well on site and aiming to open May 2018. 2 further Collateral Warranties have been received for signing – final set.

Broadband – no update-GPF funding agreement signed Dec 2016 and project mobilisation has begun.

South Yard/Oceansgate – no update - GPF agreement has been further developed following review by PCC lawyers and SIP decision regarding MOD first charge.

Other projects are on track or complete.

EAN (Enterprise Advisors Network)

- Programme continues across all LAs in the HotSW LEP area. This is the subject of a separate paper coming to the May SIP meeting.

Attachment 1 – Investment Programme Summary

Attachment 2 – Amber project reviews

LEP PMO 25/04/2018