

HOTSW Investment Programmes

Highlight Report No 48 – SIP 2nd May 2019

Reporting period

April 2019

Summary Comments

At the April SIP meeting the SEIC Phase 3 business cases was approved, along with a variation to the Marsh Barton Station scheme, meaning this is now progressing and no longer has Red RAG status.

The dashboard outputs and spend report has been completed and submitted.

Following a discussion at the April SIP meeting regarding the Annual Performance Review and the need to agree an expenditure forecast and acceptable variation to this for government approval, a paper has been produced for the May SIP meeting outlining an approach.

Projects who significantly underspend will be identified and SIP to agree a way of responding to the lack of delivery against their own forecast profiles. Individual meetings suggested for a key projects to understand issues and potentially where the LEP could assist to unblock.

The draft outputs programme summary presented to the April SIP has been further developed for review at the May SIP meeting. This will enable outputs information to be updated quarterly for SIP review in an easily digestible format, at the same time as for the dashboard.

Growth Deals

Business cases and funding agreements

All GD1 business cases are approved or partially approved – with 1 remaining to finalise for funding agreement/decision on proceeding. See table below for details of outstanding actions.

All GD2 business cases are now approved – 15 in total, including 8 in Unlocking Growth Fund. There are also agreements in place for the 3 Growth Hub/Hinkley business support projects which have been delivering for some time. 3 GD2 funding agreements are yet to be completed.

9 GD3 business cases are now approved - 5 GD3 business cases approved by SIP - South Devon College, North Devon Enterprise Centre, iAero, SEIC Phase 3 and Constructing Futures, plus 4 GD3 transport projects with Programme Entry approval – Huntspill Energy Park, Toneway, Houghton Barton and Plymouth Central Station. 2 GD3 business cases are yet to be approved.

3 GD3 funding agreements are signed, with 8 yet to be completed.

There are now **11** outstanding GD1, GD2 and GD3 funding agreements, as follows:

Project	Funding Agreement Status
GD1	
4G Mobile	First stage business case approved. Updated business case presented at November 2018 SIP Jan 2019 Board meeting decision to halt project in line with digital strategy.
GD2	
EPIC	Drafting now complete, most conditions met. Funding gap letter received and schedules being updated.
Unlocking Growth Fund	All allocated to 8 approved projects. 6 signed, 2 near signing –Caddsdwn, Claylands.
GD3	
Somerset Innovation Centre Phase 3	Business case approved at April 2019 SIP. Funding agreement in development
CDS Phase 3 and Mobile	Pre-business case approval – supporting digital strategy in development.
iAero (South) Centre	Business case approved at November 2018 SIP.
Blue Screen ICT	Business case due for appraisal end November 2018 – expected to come to May SIP meeting
Houghton Barton Package	Programme Entry approval at December 2018 LTB. Final approval target March 2020
Taunton Toneway	Programme Entry approval at October 2018 LTB. Final approval target December 2019
Plymouth Central Station	Business case Programme Entry approval – LTB Dec 2017. Final approval target June 2019.
North Devon Innovation Centre	Business case approval September 27 th SIP. Funding agreement near signing.

Delivery

26 projects have now completed spending their Growth Deal funding, including: Exeter Science Park GD1, Exeter Science Park Grow Ons, 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, UGF-Highbridge, UGF-Yeovil, Oceansgate, Youth Construction Skills, South Devon GD3 and Torbay Western Corridor.

A number of variation requests have been notified or been submitted for theme lead consideration and review by future SIPs as required. This includes Wells and Wiveliscombe Enterprise Centres, CDS and Flood Action Plan. A meeting was held in April with the project manager to discuss Flood Action Plan in more detail.

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 1 GD1 and 3 GD3 projects.	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	47 funding agreements signed. Others in progress or outstanding as above.	Ongoing
Project business case approval	1 project received approval this month. Others ongoing	Ongoing
Claims paid	Claims paid to end Q4 18/19 total cumulative spend of approx £108.77m including Growth Hub/Rev GD2 projects.	Quarterly
Monitoring and Evaluation	Outputs sheet developed and in sign off ready for submission to government	26 th April 2019

Other activities in next period Q1 19/20

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. Individual project meetings to be set up for review of delivery.	Ongoing
Monitoring and Evaluation	Complete reporting cycle for Q4 dashboard report to MHCLG.	April 2019

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

From Government funding of £197.83m available (not including Forder Valley Link Road) £196.07 + £1.85m has been allocated by the LEP to projects + topslice giving **-£0.23m** of required. However, this is subject to change as projects complete and clarification on a handful of projects with the Accountable Body.

18/19 Q4 data and forecast

Note: table adjusted to reflect minor adjustments by SCC for previous years (mainly due to accruals).

Key points:

£16m slip into later years at end 18/19. Expenditure profile document will provide detailed breakdown. This is split across 19/20 and 20/21 with substantially more funding to be spent in 20/21 than previously forecast. Profile for 19/20 now £49.15m and needs to be validated with projects.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Forecast spend £m (GD1)	20.92	29.88	23.33	14.44	14.82	6.99	110.28
Forecast spend £m (GD2)	0	1.01	5.96	4.52	15.91	12.707	40.1
Forecast Spend £m (GD3)	0	0	0.99	7.72	18.42	18.59	45.72 (including reallocation of £2.15m from GD1)
Forecast spend £m TOTAL	20.92	30.89	30.28	26.68	49.15	38.29	£196.05m (not including headroom/project mgmt. allocation of £1.78m)

Growing Places Fund

Programme Summary

DC Homes –no update - 16 claims now paid – this is the last claim for GPF funding but progress claims will continue to be received until project completion. Opening event held early November.

All further Collateral Warranties now received for review and signing.

Broadband –no update -GPF funding agreement signed Dec 2016 and project mobilisation has begun. A request to review expenditure profile has been discussed by SIP in January and an updated reprofile is awaited.

South Yard/Oceansgate – GPF agreement being finalised for loan issue subject to SIP chairman agreement of minor variation

Other GPF projects are in repayment or complete.

Other projects

Careers Hub

A bid for an expansion of the current Hub has been submitted to the Careers & Enterprise Company (CEC) which, if successful, will increase the number of Hub schools from 40 to 60 thus creating much needed capacity within the Enterprise Adviser Network (EAN) – we are expecting to know the outcome of our bid in the near future, subject to purdah.

Digital Skills Partnership

Digital Skills Partnership met on April 1st. Discussion and actions included; update on the Barnstaple Centre of Technology and Innovation Excellence £1.2m ERDF project, IoT, Tech South West report, Task and Finish groups that are taking forward the first 5 tasks from the 2019-2020 Action Plan (Employer and Training Provider regional roundtables, Digital Ecosystem for HoSW Blueprint, Digital Skills slide deck for schools campaign, #HOTswDigitalSkills industry expert campaign and sign off of Action Plan and Infographic)

Marketing assets have been produced that will help us raise awareness of the Digital Skills Partnership (Business cards, Roller Banner pop, Newsletter Template, Infographic and Action Plan). The Infographic and Action Plan are in the final review stages and will be circulated next month. The 1st Newsletter (available [here](#)) was sent out on before the Easter break and has doubled the audience subscription on sending from 75 to 150 signups- this will be our main comms channel for sharing news and opportunities you can sign up for future editions [here](#). Our second update on gov.uk blog was also published [here](#).

Website: our page on the LEP website is updated and a vanity url set up to help people navigate to the DSP information - www.hotswdigitalskills.com . DCMS have sign off to create a national DSP website which will have regional microsites.

After reviewing the Business Basic Fund, DSP have supported Devon County Council's bid that was already in development with digital skills statistics and evidence. There will be an opportunity for the DSP to bid into future rounds of the BB fund where there is a good fit with a skills need or a DSP business case. There is also an opportunity to work with BEIS to be part of regional control trials to test optimum channels and methodologies for engaging businesses in productivity growth activities. This program doesn't bring funding but requires a small time commitment in return for shared insights to inform future programs and support maximum engagement. More information on this has been requested to consider further.

Program development for the Digital Skills Innovation Fund continues; working with multiple partners (LearnDevon, Somerset Skills and Learning, FE colleges, NobleProg and Cosmic) to define the training offer. Job Description has been drafted for a project coordinator (funded by DSIF) reporting into the Digital Skills Partnership Manager.

Regional digital skills workshops from Lloyds and Facebook are being planned for 2019.

Asks from regional coordinator day at DCMS include 1) Does HoSW LEP want to hold the inaugural Digital Skills Partnership summit? Would HoSW LEP want to see a high street space, reused as a national providers skills hub? Do we want to take advantage of an offer from the Whitehall Industry Group to facilitate events through their regional members (offer is event planning, space and refreshments).

Small roundtable held at Exeter Science Park with Simon Leeming, Head of the National Digital Skills Partnership and some of the region's larger employers - EDF, Met Office, UKHO, Securious, STEM Learning the meeting has helped galvanise the support of these employers. A clear request business was to produce a Digital Skills Blueprint to help with clarity of the digital stakeholder landscape across the HoSW region. Digital Skills Partnership exhibited at Tech Storm at the Met Office and presented at Tech Exeter. Meetings during the March and April held with EXIST, Impact Lab (Robert Kathro and Sarah Frear), Engineering UK, STEM Learning, TechNation, EDF Energy, City College Plymouth, Plymouth City Council

Careers Learning Pilot – No update

The Careers Learning Pilot is working towards its second cohort of learners predominantly through learning providers who were successful in recent growth applications. This is enabling the three pilot outreach areas to work on a longer lead in period to be able to test the cost/outreach model further. The three outreach areas are Western Somerset (Somerset Skills and Learning), Plymouth and Torbay (South Devon College) and Northern Devon (Learn Devon) who employ two work coaches each to work with target learners, with additional CIAG provision contracted through Prospects. The Learning and Work Institute will be running a session in early November with the work coaches and Prospects to look deeper into the outreach work coach model, the session is being supported by Plus. Hannah Halford has joined the Pilot as Project Manager, Hannah has over ten years' experience working in Adult Learning and has worked on several DfE/LWI projects from within the Learn Devon team.

CONFIDENTIAL ATTACHMENTS:

Attachment 1 – Investment Programme Summary

Attachment 2 – Amber project reviews

Attachment 3 – Outputs programme summary

LEP PMO 26/4/19