

HOTSW Investment Programmes

Highlight Report No 43 – SIP 8th November 2018

Reporting period

October 2018

Summary Comments

The 27th September SIP meeting the North Devon Enterprise Centre business case was approved. The October LTB meeting approved Programme Entry for the GD3 Toneway project. This means there is only 1 transport project remaining to come forward for Programme Entry, which is Houghton Barton.

The dashboard for Q1 18/19 outputs and expenditure was approved by email and submitted by the deadline. We have a short turnaround time for the Q2 dashboard as government are realigning their reporting cycles, so this will only reflect expenditure, not outputs. The Enterprise Zones reporting cycle is also being changed to align.

Further to last meeting's discussion on the assurance framework and the roles of SIP and F&R. Compliance testing (desk top) on the assurance framework will be undertaken during November so SCC/LEP expect to be informed of any discrepancies before the annual conversation meeting for rectification. This will be reviewed by F&R with the changes to ToRs for the 2 groups.

The expenditure profile has been updated to reflect Q2 actual expenditure and updated forecasts from projects. Total spend is now approx. £97m.

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.

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 GD3 business cases are approved by SIP - South Devon College, Huntspill and Constructing Futures, plus 3 GD3 transport projects with Programme Entry approval – Huntspill Energy Park, Toneway and Plymouth Central Station.

11 GD2 agreements (plus the 3 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	Programme entry for Phase 1 agreed at June LTB so will move to funding agreement
Plymouth Charles Cross	Business case has programme entry approval. Funding agreement complete & in for signing.
4G Mobile	First stage business case approved. Funding agreement to be developed. Updated business case to be presented at November SIP.
GD2	
EPIC	Drafting now complete, most conditions met. Awaiting letter regarding funding gap.
Unlocking Growth Fund	All allocated to 8 approved projects. 6 signed, 2 in development –Caddstown, Claylands.
Exeter Science Park – Open innovation building	Business case approved, funding agreement in development.
GD3	
Somerset Innovation Centre Phase 3	Pre-business case approval
CDS Phase 3 and Mobile	Pre-business case approval
iAero (South) Centre	Business case to be presented at November SIP
Blue Screen ICT	Business case due for appraisal end November – expected to come to January SIP meeting
Houghton Barton Package	Pre-business case approval – expected by end 2018
Taunton Toneway	Programme Entry approval at October 2018 LTB.
Huntspill Energy Park	Business case programme entry approval March 2018 LTB.
Plymouth Central Station	Business case Programme Entry approval – LTB Dec 2017.
North Devon Innovation Centre	Business case approval September 27 th SIP. FA to be drafted subject to conditions.

Delivery

24 projects have now completed spending their Growth Deal funding, including: Exeter Science Park GD1, Exeter Science Park Grow Ons, 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, UGF-Highbridge, UGF-Yeovil, Oceansgate and Youth Construction Skills.

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	44 funding agreements signed. Others in progress or outstanding as above.	Ongoing
Project business case approval	0 projects received approval this month. Others ongoing	Ongoing
Claims paid	Claims paid to end Q2 18/19 total cumulative spend of approx £97m including Growth Hub/Rev GD2 projects.	Quarterly
Monitoring and Evaluation	Outputs evidence complete for SIP/Board approval prior to submission to MHCLG.	20th October 2018

Other activities in next period Q3 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 with Q2 18/19 for review at November SIP.	November SIP and ongoing
Monitoring and Evaluation	Complete reporting cycle for Q2 report to MHCLG.	23 November 2018

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

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 -£0.08m of headroom. However, this is subject to change as Tiverton EUE completes and Jn 25 M5 finalises costs. There is also potential underspend from completed projects spending slightly under budget.

18/19 Q2 data and forecasts – see detailed expenditure profile sheet for more information

Q1 forecast – Table not updated

	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	23.38	18.75	12.86	4.5	110.29
Forecast spend £m (GD2)	0	0.89	6.0	15.46	15.96	1.75	40.06
Forecast Spend £m (GD3)	0	0	0.99	15.44	18.93	10.37	45.72 (including reallocation of £2.15m from GD1)
Forecast spend £m TOTAL	20.92	30.77	30.38	49.64	47.75	16.61	£196.07m (not including headroom/project mgmt. allocation of £1.77m)

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. Opening event being 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.

South Yard/Oceansgate - GPF agreement has been further developed following review by PCC lawyers and SIP decision regarding MOD first charge. DCC/Ashfords review meeting held and amends fed back to PCC. PCC have provided further data/attachments and finalisation in progress.

Other GPF projects are in repayment or complete.

Other projects

Careers Learning Pilot

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.

Careers Hub

Appointments have been made to all but one of the positions available within the Careers Hub team and a very strong and experienced team has been created. The Hub Manager, Victoria Gage, is in post and her Senior Enterprise Co-ordinators (x2) and Enterprise Co-ordinators (x5) will all be on board by 2 Jan 2019. One specialist post working with Special Schools in Somerset is currently unfilled and has been re-advertised with a closing date of 16th November. The team has attended national training run by The Careers and Enterprise Company and work is well underway to make contact with all schools and businesses associated with the network. A launch event will take place in January and a detailed delivery plan will soon be available.

Digital Skills Partnership

The Heart of the South West Digital Skills Partnership has recently recruited Charlotte Collyer as its Digital Skills Partnership Manager, funded by DCMS. This is a brand new role which will help drive forward a range of digital skills activity and help us to create a step change in both the knowledge and palette of digital skills provision and activity available to people, businesses and other organisations in the Heart of the South West. Charlotte has a host of relevant public; private and third sector experience and will be joining the team on 19th of November, employed by Devon County Council on behalf of the LEP.

In addition we have been busy with a range of activity, including finalising mapping and gapping research into digital skills needs and provision across our area, led by the University of Exeter – a session was held at the last DSP meeting on 3rd Oct to help finalise the report; working up a potential bid to the Digital Skills Innovation Fund - submitted on 29th Oct; and also working with private sector partners in our area on potential Cyber Skills Immediate Impact Fund pitches (bids required from companies rather than LEP) – private sector attendees from HotSW attended a recent London event on our behalf.

CONFIDENTIAL ATTACHMENTS:

Attachment 1 – Investment Programme Summary

Attachment 2 – Amber project reviews

LEP PMO 01/11/2018