

## **HOTSW Investment Programmes**

### **Highlight Report No 47 – SIP 4<sup>th</sup> April 2019**

#### **Reporting period**

February-March 2019

#### **Summary Comments**

At the February SIP meeting there were no business cases approved, only a variation to the Taunton Station funding agreement to reflect a change in match funding and intervention rate. The March SIP was cancelled due to a lack of decisions required. At the March LTB all schemes were approved- including Marsh Barton Station, Forder Valley Link Road final approval and Heywood Road final approval.

The dashboard evidence capture activity for Q4 18/19 outputs and expenditure has been launched ready to submit the dashboard by the April deadline.

The annual performance review took place in early January and verbal feedback was good. However spend against profile and outputs have been raised as delivery issues needing improvement in the formal report produced. It is not clear what profile we were being measured against and clarification has been sought. This will be discussed further at the April SIP meeting.

Work to provide more information on outputs and identify issues and justifications has begun and a draft outputs programme summary has been developed for review at the April 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.

Q4 18/19 LGF claims at first glance totalled around £5m, significantly less than forecast – bringing the 18/19 spend down from the expected £40m to the order of £26m – a final figure will be produced for the May SIP meeting. Projects who have significantly underspent 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.

#### **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.

8 GD3 business cases are now approved - 4 GD3 business cases approved by SIP - South Devon College, North Devon Enterprise Centre, iAero and Constructing Futures, plus 4 GD3 transport

projects with Programme Entry approval – Huntspill Energy Park, Toneway, Houghton Barton and Plymouth Central Station. 3 GD business cases yet to be approved.

3 GD3 funding agreements are signed.

There are now 14 outstanding GD1, GD2 and GD3 funding agreements, as follows:

<b>Project</b>	<b>Funding Agreement Status</b>
<b>GD1</b>	
Bideford – Heywood Road Junction	Programme entry for Phase 1 agreed at June 2018 LTB. Final approval LTB March 2019 and funding agreement near signing. Will be removed from list.
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.
<b>GD2</b>	
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. Claylands outputs have slipped due to late start of project but numbers have not changed.
<b>GD3</b>	
Somerset Innovation Centre Phase 3	Pre-business case approval – business case to April SIP for approval
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 April 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
Huntspill Energy Park	Business case programme entry approval March 2018 LTB. Funding agreement signed March 2019. Target May 2019 for final approval. Will be removed from list.
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 <sup>th</sup> SIP. Funding agreement in development.

## Delivery

24 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 and Yeovil 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 has been set up to discuss Flood Action Plan in more detail.

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

## Programme Overview

	Comment	RAG
<b>Timescale</b>	Programme is live. Business case approval is complete for all but 1 GD1 and 3 GD3 projects.	<b>A</b>
<b>Scope and objectives</b>	Programme is within the scope and objectives agreed by LEP Board and government	<b>G</b>
<b>Budget</b>	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.	<b>G</b>

## 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	0 project received approval this month. Others ongoing	Ongoing
Claims paid	Claims paid to end Q3 18/19 total cumulative spend of approx £104m including Growth Hub/Rev GD2 projects.	Quarterly
Monitoring and Evaluation	Outputs sheet developed. Q4 outputs request sent to projects.	24 <sup>th</sup> April 2019

## Other activities in next period Q4 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. 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
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### 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 -£0.07m of headroom. However, this is subject to change as projects complete.

### 18/19 Q3 data and forecast – no update

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

Key points:

GD1 - £1.5m slip into later years - £0.9m into 19/20 and £0.6m into 20/21

GD2 -small adjustment for 17/18 (£0.04m) and £0.71m moved from 18/19 into 19/20 with a minor adjustment in 20/21

GD3 – no change to expenditure profile from previous quarter. Some risk due to higher number of projects still to come forward for business case approval.

	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	17.45	13.81	4.87	<b>110.28</b>
Forecast spend £m (GD2)	0	1.01	5.96	10.66	15.94	6.51	<b>40.05</b>

Forecast Spend £m (GD3)	0	0	0.99	11.93	20.94	11.87	45.72 (including reallocation of £2.15m from GD1)
Forecast spend £m TOTAL	20.92	30.89	30.28	42.26	47.75	22.66	£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 has been further developed following review by PCC lawyers and SIP decision regarding MOD first charge to enable PCC to repay the loan on a different profile than previously. Awaiting final details for decision, funding agreement finalisation and loan provision.

Other GPF projects are in repayment or complete.

### **Other projects**

#### **Careers Hub**

The HotSW Careers Hub launch event at Sandy Park on 17<sup>th</sup> January was a great success for the team, attracting over 100 attendees, the panel of speakers addressed a full house. In addition to school and college leaders, large regional employers, as well as smaller ones, attended and articulated their support for the Career’s Hub model. 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). Whilst recent data released by CEC demonstrates the positive impact the HotSW Careers Hub is already having on the region, with average Gatsby Benchmarks achieved raising to 2.1 from 1.6 and now in line with the national average, there is still much to be done. To drive the achievement of Gatsby Benchmarks and the provision of impartial CEIAG within our schools, the HotSW Careers Hub needs the full support of the HotSW LEP in its drive to recruit Enterprise Advisers and Cornerstone Employers.

#### **Digital Skills Partnership**

The Digital Skills Partnership has now agreed 24 focus areas which will shape the groups 2019 Action Plan - a visual format of the Action Plan is in development and will be made available shortly. The decision was taken to track progress against the focus areas which will be presented in an annual report.

DCMS has published blogs from each of the three Local Digital Skills Partnership Coordinators, the link to the HotSW blog is here. Charlotte attended a Microsoft EduLive event at Exeter College, a write up on the event is also scheduled for the DCMS blog which will cover the benefits of being a Microsoft Academy and how the software suite is transforming productivity and inclusivity both in the classroom and across the organisation.

Following a significant number of Expression of Interest from LEPs and MCA regions and following a rigorous selection process that involved cross Government input the next three regions to develop a Local DSP will be announced by DCMS next month; South East, Cornwall and IOS, Cheshire and Warrington. The Cornwall and IOS launch event is scheduled for April 25th, please let Charlotte know if you would like to attend.

A review of how the DSP and the LEP might support Places bidding into the Future High Street Fund with digital upskilling has been put to the LEP Management team. The DSP will also be reviewing the Business Basics Fund and working up a strawman proposal for LEP review.

#### **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 Pluss. 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 28/3/19**