

Growth Deal 1 Programme

Highlight Report No 4 – 13th April 2015

Reporting period

March 2015

Summary Comments

The Assurance Framework for the Investment Programme has been approved by Somerset County Council and the LEP Board and submitted to government before end of March.

An offer letter has been received from BIS confirming the full allocation of Growth Deal funding to be paid in 15/16. For 16/17 funding and beyond we have also now (25th March) received a letter setting out our funding profiles. See separate paper on Growth Deal Profile submitted for agenda item 4 for more detail.

Devon County Council has begun provision of the Programme Management Office (PMO) for the Growth Deal Programme, handing over from Ian Thompson on 6th March.

The draft project offer letter has been reviewed and a final draft has been produced with advice from Foot Anstey and circulated to the Leadership groups. This is subject to change, dependent on conditions in the grant determination letter received from government on 1st April. The aim is that the first approved projects can sign this early in April and start to make claims.

The SIP approved 2 Business and 3 FE Capital business cases at the March meeting, subject to conditions. The LTB approved 2 business cases at the April meeting, subject to conditions. See attachment - project summary sheet for details.

No changes on following items:

A programme management guide is being prepared which will provide advice on the programme management process to the decision making groups and teams delivering the programme

The economic outputs (housing and jobs) have been reviewed with the LA transport teams delivering the transport projects, as these tend to have the largest output targets. The figures have now been confirmed and we remain above the target level for houses and jobs notified to government. The target outputs for each project will form part of the project monitoring plan which will be monitored over the life of the programme.

All projects are currently on track to be delivered during the programme. We are reporting amber risks on deliverability for those where key procedures need still to be met eg planning, land acquisition , and/or where cost increases are being reviewed.

Programme Overview

	Comment	RAG
Timescale	Programme is on schedule to go live in April 2015	G
Scope and objectives	Programme is within the scope and objectives agreed by LEP Board and government	G
Budget	Programme is on budget and the 2015/16 grant payment has been agreed with government. 2016/17 and beyond funding still has a risk element to it due to election year and impending CSR	A

Programme milestones and activities this period

Activity	Comment	Completion date
Grant Offer Letter from government to LEP and accountable body	BIS Offer letter received for full 15/16 allocation (£43.4m). Clarification being sought on status of future years funding.	March 2015
Accountable body set up and Local Assurance Framework	Assurance Framework approved by LEP Board and SCC. Supplied to government by end March.	March 2015
Project business case approval	19 business cases approved to date (29 projects in total)	March 2015
Project Offer Letter	Draft produced and reviewed. Final draft issued to leadership groups, subject to change. Final version produced after 1 st April grant determination letter received.	March 2015
Programme Monitoring and Evaluation Plan produced	Plan completed. Provided to Government by end March with Assurance Framework.	March 2015

Other activities in next period Q4 2014/15

Activity	Comment	Completion Date
Project Offer Letter finalised	Following Grant Determination letter from government.	April 2015
Programme Evaluation Plan agreed with government	Draft completed for government review	April 2015
Programme Comms plan in place	Being prepared as part of wider LEP Comms plan.	April 2015
Programme Management guide produced	In preparation.	April / May 2015

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. Leadership Teams to manage slippage across their portfolio of projects and/or bring forward reserve projects from approved pipeline as substitutes	LEP Leadership Teams/LTB/ PMO

Reprofile of LGF budget to meet government requirements for annual spend causes delivery delays for some projects.	Medium Risk. SIP to agree way forward to manage this issue.	SIP/LEP Leadership Teams/LTB/PMO
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Budget summary

The BIS funding for GD1 is £111.6m and £110.29m has been allocated by the LEP to projects giving £1.32m of headroom.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Forecast spend £m	42.75	45.97	16.73	3.73	0.73	0.38	110.29

Note: this will be updated to reflect GD2 profile for next SIP meeting

Attachment –Programme Summary list GD 1 programme

LEP PMO

10/04/15