

HOTSW Investment Programmes

Highlight Report No 10 – 29th September 2015

Reporting period

September 2015

Summary Comments

Following the review and slippage identification for 15/16, a number of meetings and communications have taken place to identify means to spend the entire allocation during this financial year. This includes identification of Growth Deal and non-Growth Deal options to loan or grant funding. A detailed review has been carried out of expenditure forecasts for all GD1 projects.

There has been progress on development of funding agreements for specific GD1 projects. The claims documents and process have been developed. The first claim has been processed for payment.

A large number of GD3 project applications have come in. The extended timetable until we need to submit to government gives the Leadership Teams more time to refine and prioritise their lists for submission to the November SIP and then the November LEP Board, with final Board approval in January 2016.

Growth Deal 1

Project funding agreements have been produced for 18 projects with SIP/LTB approval. 4 funding agreements are now signed. 1 claim (City College Plymouth) has been approved and processed for payment.

PMO and SCC Acct Body team have been working on the claims form and process and have trialled this with 2 projects, making amends as identified. This process should now work smoothly with claims checks/approvals by SCC and Leadership Team officers. Some further work is required on the progress reporting in the claims process, to ensure alignment with the Monitoring & Evaluation plan for each project.

The first GD monitoring data has been submitted on Logasnet government reporting system. This covered the period Q1 2015/16, so there were no actual spend or outputs to report. This will be required to be submitted quarterly during a 2 week period when the system is open for data entry. The next submission is due in early December to cover Q2.

Work is required during the next period to ensure the outputs requirements align with the outputs being collected and evidenced for individual projects – e.g. government appears to consider some elements in the system as “in-kind” match, such as land value, whereas the projects have treated them as capital assets/leverage. So some “hypothetical” questions need to be raised with DCLG re what is and isn’t “in-kind” match funding. In addition, some further investigation is needed on govt. requirements for costly surveys v’s estimates/models e.g. for job outputs. There has been some discussion around the measurement/monitoring of outputs with individual projects on the outputs targets in their monitoring plan and business case.

No further slippage has been identified in 15/16 since the last SIP. Follow up with Bridge Road, Exeter has confirmed that the project will now start towards the end of this financial year, with £1m expenditure forecast so there is a small improvement in the figure. Current forecast is as on the programme summary attached. A separate document also gives a review of options to progress spend against this background.

A programme management guide is still in progress but other items have been prioritised. When available this will provide advice on the programme management process to the decision making groups and teams delivering the programme. In the meantime SCC is producing guidance on the claims process and form to be issued with the claim forms.

GD1 Programme Overview

	Comment	RAG
Timescale	Programme is live. Business case approval is near complete for 15/16 starts. Expenditure slippage identified for 15/16 against our government allocation of £14.17m or 32%. Getting projects to sign funding agreements is proving significantly slower than expected.	A
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 made. Currently we have headroom of £0.05m.	G

GD1 Programme milestones and activities this period

Activity	Comment	Completion date
First funding agreements signed by projects	Draft funding agreements issued for approved projects (20). 4 agreements signed.	Sept/Oct 2015
Project business case approval	23 business cases approved to date (29 projects in total, 4 are 16/17 starts). HPTA is a partial approval.	Autumn 2015
Claims Process	Process trialled and first claim processed for payment	Sept 2015
Monitoring	First GD1 monitoring return submitted on Logasnet	Sept 2015
Management of Expenditure	GD1 spend review produced for September SIP followed by options paper for discussion at October SIP. Follow up actions will be required.	Dec 2015

Other activities in next period Q3 2015/16

Activity	Comment	Completion Date
Programme Management Guide produced	In progress	Autumn 2015
GD3 Call for projects process	EOIs submitted. Revised timeline circulated for prioritisation.	Dec/Jan 2016
Programme Monitoring processes set up	Trajectories spreadsheet initialised, Monitoring session at LEP national meeting on 29 th July. GD2 datasheet sent to LGs for completion by end August. Reminders sent for end September.	Sept 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 has discussed options for managing this with activities identified, leading to future Board decision as/when necessary.	SIP/LEP Leadership Teams/LTB/PMO
Lack of management of GD1 spend impacts on GD3 allocation for HOTS.W.	Medium Risk. SIP and Board has discussed options for managing this with activities identified.	SIP/LEP Leadership Teams/LTB/PMO

Budget summary

The BIS funding is £111.6m and £111.55m has been allocated by the LEP to projects giving £0.05m of headroom.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Forecast spend £m (GD1)	29.24	59.56	18.42	3.23	0.73	0.38	110.55

Growth Deal 2

Government reporting requires quarterly breakdown for 16/17, so includes GD2 spend and outputs. Leadership Groups to respond with profiles end September. Work is beginning on a number of GD2 business cases, including: Exeter Science Park – Met Office Environmental Futures Campus, Science Park Centre Phase 2; South Yard; Growth Hub; Broadband; EPIC centre.

The Unlocking Growth Fund project plan requires business cases to be submitted in October for review by the subgroup. This will ensure projects business cases are evaluated, prioritised and approved by the LEP Board in March 2016 for a start in April 2016.

Growing Places Fund

Programme Summary

DCLG have published an annual review of GPF to Dec 2014. See attached document.

Monitoring on the government Logasnet system is now required for Growing Places Fund. There is a deadline of 9th October to submit details of live GPF projects to DCLG. This will be monitored on a 6-monthly basis with the first submission due in early December.

All live projects progressing well. DC Homes first claim is in process. Ocean Studios outstanding actions to be followed up now project build has completed.

Projects - table has been removed as this duplicates the programme summary information.

Attachment 1 – Investment Programme Summary

Attachment 2 – Growing Places Fund Annual Review

LEP PMO 29/09/15