

HOTSW Investment Programmes

Highlight Report No 5 – 28 April 2015

Reporting period

April 2015

Summary Comments

This highlight report has been updated to include GD1 and GPF programmes in 1 document. In due course this will also include GD2 and other future programmes.

Growth Deal 1

Project funding agreements have been produced for the 3 FE capital and 2 business projects with SIP approval. The aim is for these to be signed soon with first claims able to be submitted during Q1 15/16.

The Business Leadership group has provided evidence for Exeter Science park conditions approval (see attached) with a recommendation that with only a few outstanding the project is allowed to sign the funding agreement and move forward.

A review of the transport projects has been carried out, which has highlighted slippage during 2015/16 but not indicated any expenditure slippages into 16/17. A similar review will be carried out with the other themes in the near future.

No approvals have been carried out since the previous report. See attached summary for programme details, which now includes the HotSW investment programmes on one sheet.

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.

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

No change on the outputs targets - target outputs for each project will form part of the project monitoring plan which will be monitored over the life of the programme.

GD1 Programme Overview

	Comment	RAG
Timescale	Programme is now live. However, business case approval is behind original target of all complete by Feb 2015.	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 agreed with government	G

GD1 Programme milestones and activities this period

Activity	Comment	Completion date
First funding agreements signed by projects	First 5 funding agreements issued and expected to be signed in near future.	May 2015
Project business case approval	19 business cases approved to date (29 projects in total).	Summer 2015

Other activities in next period Q1 2015/16

Activity	Comment	Completion Date
Programme Evaluation Plan agreed with government	Draft submitted. Awaiting government feedback.	March 2015
Programme Comms plan in place	Being prepared as part of wider LEP Comms plan	May 2015
Programme Management Guide produced	In progress	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/ LEP Mobilization Team
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

Budget summary

The BIS funding is £111.6m and £110.29m has been allocated by the LEP to projects giving £1.31m of headroom.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Forecast spend £m (GD1)	42.75	45.97	16.73	3.73	0.73	0.38	110.29

Growth Deal 2 – no update.

Growing Places Fund

Programme Summary

DC Homes start is delayed. Other projects are on track or in the repayment phase.

Projects

Project	Comments	RAG Status
DC Homes	Following a paper to the 13 th April SIP meeting, the applicant has provided evidence of match funding. Updated financial checks are in the process of being carried out, following the SIP's request.	A
Science Park Centre	The building has achieved practical completion and expected to be in use from May 2015. The majority of the £4.55m loan has now been claimed, with the final claim due. Science Park Company will be making a request to HotSW LEP to change the match funding structure for the project - swapping shareholder funds to shareholder loans.	G
Millfields	The project has achieved practical completion and received their total loan. Repayments commenced with a March 2015 payment, at minimum capital reimbursement as per their loan agreement. The interest payments are behind this, rolled into their outstanding balance.	G
Ocean Studios	The build is nearing completion. There is a meeting planned in June between the LEP, Plymouth CC and Ocean Studios to view the completed site and assess progress on revenue generation/business plan.	G
Concise Homes	The housing development continues to progress well and sales are in accordance with business plan projections. Repayments are being made as sales are completed and this is ahead of the minimum reimbursement schedule in the legal agreement.	G
Plymouth City Deal	No update. EOI expected in near future, followed by a business case.	G
Connecting Devon and Somerset	A grant has been formally committed by the LEP and the project team is working on developing the full business case.	G

GPF Financial Summary – this is now contained within attachment 1.

Attachment 1 – Investment Programme Summary

Attachment 2 – Exeter Science Park – comments on conditions

LEP PMO 28/04/15