

## **HOTSW Investment Programmes**

### **Highlight Report No 7 – 25<sup>th</sup> June 2015**

#### **Reporting period**

June 2015

#### **Summary Comments**

**No major changes since previous report in Growth Deal 1 programme profile.**

**The joint SIP/LTB meeting was positive and it was agreed Cllr Harvey Siggs, as Chairman of the LTB would join the SIP, in addition to Ian Harrison.**

**The Growth Deal 3 call for projects process has been developed, to launch after the budget on 8<sup>th</sup> July, assuming there is nothing significant in the budget to change this.**

**HOTSW will separately be carrying out a wider engagement and project ideas generation exercise.**

#### **Growth Deal 1**

Project funding agreements have been produced for the 3 FE capital and 3 business projects with SIP approval. Agreements have also been produced for the LTB approved transport schemes. The first agreement has been signed, for Exeter Science Park.

Somerset College are forecasting a delay in project start until the Autumn. The People theme leads are following up on this.

No other project slippage has been identified since the last SIP meeting and the attached data summary reflects this.

DCC is bringing a paper on cost increases on Marsh Barton station project to the LTB on 9<sup>th</sup> July, looking at how cost increases can be accommodated.

As requested at the previous SIP, a legend has been developed to define RAG status. This is utilised in the attached data summary.

#### **RAG Status Key**

<b>R</b>	Highly Problematic – requires urgent and decisive action, multiple key risks
<b>A</b>	Issues – some aspects require substantial attention, some key risks
<b>G</b>	Good – all aspects proceeding well, no key risks requiring mitigation

A programme management guide is still in progress but other items have been prioritised, such as the call for projects process. When available this 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
<b>Timescale</b>	Programme is now live. However, business case approval is behind original target of all complete by Feb 2015. Expenditure slippage identified for 15/16 against plan of £1.25m or 3%	<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>	Programme is on budget and the 2015/16 grant payment has been made	<b>G</b>

### GD1 Programme milestones and activities this period

Activity	Comment	Completion date
First funding agreements signed by projects	Draft funding agreements issued for all approved projects. 1 agreement signed.	June/July 2015
Project business case approval	21 business cases approved to date (29 projects in total).	Summer 2015

### Other activities in next period Q2 2015/16

Activity	Comment	Completion Date
Programme Evaluation Plan agreed with government	Draft submitted. Awaiting government feedback.	March 2015
Programme Management Guide produced	In progress	Aug 2015
GD3 Call for projects process	Initiating after July Budget statement	Nov 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 has discussed options for managing this with activities identified, leading to future Board decision as/when necessary.	SIP/LEP Leadership Teams/LTB/PMO

## Budget summary

The BIS funding is £111.6m and £110.7m has been allocated by the LEP to projects giving £0.9m of headroom. No update from previous meeting.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Forecast spend £m (GD1)	42.15	46.97	16.73	3.73	0.73	0.38	110.69

## 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
<b>DC Homes</b>	Project funding package now secured. Number of bedrooms has increased. Negotiations with contractor on price and specification in progress. Aim to start onsite in Summer 2015 to complete by December 2016.	<b>A</b>
<b>Science Park Centre</b>	The building has achieved practical completion and is in use for selected activities. The building will be fully open in mid-July. The majority of the £4.55m loan has now been claimed, with the final claim due. Science Park Company have made a request to HotSW LEP to change the match funding structure for the project - swapping shareholder funds to shareholder loans – and this is under appraisal by TDA.	<b>G</b>
<b>Millfields</b>	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.	<b>G</b>
<b>Ocean Studios</b>	The build is nearing completion with the opening planned for 30 <sup>th</sup> July. A meeting took place on 10 <sup>th</sup> June between HotSW, Plymouth CC and Ocean Studios to view the completed site and assess progress on revenue generation/business plan. This was positive with a few outstanding questions on the business plan being followed up.	<b>G</b>
<b>Concise Homes</b>	The housing development continues to progress well and sales are in accordance with business plan projections. Repayments are being made as sales are	<b>G</b>

	completed and this is ahead of the minimum reimbursement schedule in the legal agreement.	
<b>Plymouth City Deal</b>	No update. EOI expected in near future, followed by a business case.	<b>G</b>
<b>Connecting Devon and Somerset</b>	A grant has been formally committed by the LEP and the project team is working on developing the full business case. Funding agreement development is now also underway.	<b>G</b>

**Attachment 1 – Investment Programme Summary**

**Attachment 2 – Conditions report – Plymouth Science Park**

**Attachment 3 – Conditions report – Somerset Energy Innovation Centre Phase 1b**

**Attachment 4 – GPF - DC Homes Update**

**LEP PMO 25/06/15**