

HOTSW Investment Programmes

Highlight Report No 8 – 27th July 2015

Reporting period

July 2015

Summary Comments

Two interim conference calls have approved increased funding to Marsh Barton Station, a reduction to Heywood Road scheme and the Flood Action Plan business case.

The Growth Deal 3 call for projects has been launched via the Leadership Groups and the Districts.

Government has provided further information on requirements for quarterly monitoring via their Logasnet system. They have also asked for a quarterly breakdown for 16/17 on spend and outputs. A GD2 programme datasheet has been circulated to the Leadership Groups for completion by end August.

Growth Deal 1

Project funding agreements have been produced for the 3 FE capital, 3 business projects and 2 place projects with SIP approval. Agreements have also been produced for the LTB programme entry approved transport schemes. 2 funding agreements are now signed.

Slippage has been identified with a number of projects, as highlighted on the programme summary attached. As agreed previously, a detailed review of progress and discussion around next steps will take place at the September SIP.

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

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. Expenditure slippage identified for 15/16 against plan of £1.86m or 4%. This will be updated for the September SIP.	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	G

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. 2 agreements signed.	Sept/Oct 2015
Project business case approval	22 business cases approved to date (29 projects in total). 2 of these are partial - HPTA and SEIC.	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	Launched for Leadership Group feedback with priorities in September.	Nov 2015
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.	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/ 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 £111.6m has been allocated by the LEP to projects giving £0m of headroom.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Forecast spend £m (GD1)	41.54	48.49	16.73	3.73	0.73	0.38	110.69

Growth Deal 2

Government reporting now requires quarterly breakdown for 16/17, so includes GD2 spend and outputs.

Clarity needed on start date for GD2. SIP paper being submitted by Somerset CC as Accountable Body.

Growing Places Fund

Programme Summary

DC Homes on track for start by end July 2015. All other live projects progressing well. No update on Broadband or City Deal pre-funding agreement.

Projects

Project	Comments	RAG Status
DC Homes	Variations to funding agreement to be finalised, in terms of expenditure/repayment profiles. Project due to start by end July 2015, subject to final conditions being met.	A
Science Park Centre	The building is fully open. The majority of the £4.55m loan has now been claimed. Science Park Company has 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, with a report due by end July.	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 with the opening planned for 30 th July. A meeting took place on 10 th 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.	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. Funding agreement development has been put on hold until the next steps for the next phase of CDS has been agreed.	A

Attachment 1 – Investment Programme Summary

LEP PMO 27/07/15