

HOTSW Investment Programmes

Highlight Report No 37 – SIP 4th April 2018

Reporting period

March 2018

Summary Comments

The March LTB meeting approved one business case, Huntspill GD3 for Programme Entry. This was also discussed at the Place LG and an update paper is coming to April SIP. There were no business case approvals at the March SIP but a variation was agreed to the EPIC project, enabling it to come forward for business case signing quickly.

The remaining GD2 project awaiting business case approval - the Exeter Science Park Open Innovation Building – has been further delayed due to further business plan information being required, following a review meeting with Exeter Science Park Ltd regarding this project and their GPF loan. Business LG officer team has written to the project with more details on what's required. Ideally the information will be provided in time for the business case to come to the May SIP for review.

The March LEP Board approved the reallocation of project underspend to the Marsh Barton Station project and this April SIP includes a paper to move a small amount of funding from one Plymouth transport project to another.

We have been working on Q3 outputs and reporting to Government, according to their timetable so the reporting dashboard is presented at the April SIP for review and approval before it goes to the S151 officer for sign off. We have received further outputs than in Q2 but less than we would have hoped, so will need to follow up further with project sponsors for the Q4 report. We would expect more outputs to be reported during Q4 anyway as further projects complete and other projects have annual reporting deadlines.

An expenditure profile for Q4 has also been produced with forecasts for future expenditure. The profile shows we have spent £xxx and accrued a further £xxx by end 17/18. This does not include the latest figures for the revenue projects which should be available in early April. A comparison of the latest forecasts against profile from government will also be circulated. This shows some slippage into 18/19 and later years which will enable a better fit with the government profile.

Growth Deals

Business cases and funding agreements

14 GD2 business cases are now approved in total – 7 in Unlocking Growth Fund (Claylands, Yeovil Innovation Centre, Highbridge, Wiveliscombe, Wells Enterprise Centre, Devonport, Caddsdawn and South Molton Pathfields), EPIC Project, Oceansgate, Broadband, Tiverton EUE and Exeter Science Park Grow On buildings. 4G Mobile is approved subject to further review. 3 GD3 business cases are approved - South Devon College, Huntspill and Constructing Futures.

All GD1 funding agreements are signed except for 3, 1 of these to be drafted and 2 to be started. 8 GD2 agreements (including Revenue projects) are signed with others in progress/near signing. 2 GD3 funding agreements are signed. Outstanding GD1, GD2 and GD3 funding agreements are as follows:

Project	Funding Agreement Status
GD1	
Bideford – Heywood Road Junction	Drafted -Awaiting completion of s106 agreements. Aim to get signed early-mid 17/18.
Plymouth Charles Cross	Business case has programme entry approval. Funding agreement in development.
4G Mobile	First stage business case approved. Funding agreement to be developed. Further business case reviewed Autumn 2017. Update expected early Q1 2018.
GD2	
EPIC	Near signing, variation approved.
Unlocking Growth Fund	All allocated to approved projects. 4 signed. In development – Wells, Caddsdawn, Claylands. South Molton to be started.
Exeter Science Park – Open innovation building	Business case in appraisal – more information required.
GD3	
Somerset Innovation Centre Phase 3	Pre-business case approval
CDS Phase 3 and Mobile	Pre-business case approval
iAero (South) Centre	Pre-business case approval
Blue Screen ICT	Pre-business case approval
Houghton Barton Package	Pre-business case approval
Taunton Toneway	Pre-business case approval
Huntspill Energy Park	Business case programme entry approval March LTB.
Plymouth Central Station	Programme Entry – LTB Dec 2017
North Devon Innovation Centre	Pre-business case approval

Delivery

19 projects have completed spending their Growth Deal funding, including: Exeter Science Park GD1, Bicton HPTA, Plymouth College STEM centre, Somerset College ACE, Derriford Hospital, Huntworth Roundabout, A379 Junction, Bridge Road, Torquay Town Centre Access, Deep Lane, Roundswell, Bridgwater College Hinkley skills capital, Bicton HPTA, South Devon HPTA, Petroc HPTA, Exeter College HPTA, Yeovil College HPTA, Plymouth Science Park and UGF-Highbridge.

Monitoring will continue as per the projects' Monitoring and Evaluation Plans.

Programme Overview

	Comment	RAG
Timescale	Programme is live. Business case approval is complete for all but 3 GD1 and 1 GD2 projects. Business cases in development/appraisal for 8 GD3 projects, 3 approved.	A

Scope and objectives	Programme is within the scope and objectives agreed by LEP Board and government	G
Budget	Currently headroom from GD1 transport projects has been reallocated to topslice, overprogramming and a new GD3 project. Potential for further funds to be reallocated as overprogramming situation resolves.	G

Programme milestones and activities this period

Activity	Comment	Completion date
Funding agreements signed	42 funding agreements signed. Others in progress or outstanding as above.	Ongoing
Project business case approval	1 project received approval this month. Others ongoing	Ongoing
Claims paid	Claims paid to end Q4 17/18 total cumulative spend of approx £83.5m including accruals.	Quarterly (based on January 2018 figures)
Monitoring and Evaluation	Complete reporting spreadsheet and dashboard for April review and sign off	20th April 2018

Other activities in next period Q1 18/19

Activity	Comment	Completion Date
Funding agreements to be finalised	In progress	Ongoing
Management of Expenditure	Regular meetings planned to review expenditure profile within SCC. PMO to continue with forecasting role.	Ongoing
Monitoring and Evaluation	To complete Q3 dashboard approval process and begin Q4 outputs chasing for June Q4 deadline.	20 th April; end May

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. SIP, Leadership Groups and LTB to manage slippage across their portfolio of projects and/or bring forward reserve projects from approved pipeline as substitutes	SIP/Leadership Groups /LTB/ PMO
Reprofile of LGF budget to meet government requirements for annual spend causes delivery delays for some projects.	Low risk. SIP has discussed options for managing this with activities identified, leading to future Board decision as/when necessary.	SIP/LEP Leadership Groups/LTB/PMO

Budget summary

Government funding of £197.83m available (not including Forder Valley Link Road) and £199.21m has been allocated by the LEP to projects/topslice giving -£1.38m of headroom, due to over programming with Tiverton EUE. However, this is subject to change as TEUE

completes, Jn 25 M5 finalises costs and further funding comes in from completed projects spending slightly under budget. Edginswell funding has been reallocated to programme management costs and North Devon Innovation Centre. The budget is summarised below and reflects the previous work in progress on expenditure profile from project sponsors.

Updated to include 17/18 Q4 data and forecasts:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total
Forecast spend £m (GD1)	20.96	30.51	24.6	18.95	13.48	1.86	£110.3m £4m allocated to Edginswell is not included. Slippage of around £1m each year from previous qtr. No forecast underspends as now have been reallocated.
Forecast spend £m (GD2)	0	0.89	5.16	22.11	11.23	1.23	41.32 (inc Tiverton EUE overprogramme) Significant slippage into 19/20 compared to previous forecast. Need to clarify Growth Hub and other revenue projects
Forecast Spend £m (GD3)	0	0	0.53	13.09	20.94	11.15	43.57 . Profiles updated from projects where possible. Around £4m slippage into later years. Includes Roundswell £2.15m
TOTAL	20.956	31.392	30.289	55.182	45.65	14.94	£197.36m PLUS TOPSLICE ALLOCATION OF £1.85m (overprog v's award of £197.83)

Growing Places Fund

Programme Summary

DC Homes –15 claims now paid. 16th claim received for processing.

No update - Progressing well on site and aiming to open May 2018. Final Collateral Warranties have been received for review and signing and bulk of loan now claimed.

Broadband – no update-GPF funding agreement signed Dec 2016 and project mobilisation has begun.

South Yard/Oceansgate – GPF agreement has been further developed following review by PCC lawyers and SIP decision regarding MOD first charge.

Other projects are on track or complete.

EAN (Enterprise Advisors Network) (no update)

- Programme continues across all LAs in the HotSW LEP area.
- Some schools are without an Enterprise Advisor so there is increased activity to recruit in certain areas. Anyone who would like further information should contact Jacqui.Vaughan@cswgroup.co.uk
- Press release has been circulated to local newspapers to celebrate the continuation of the programme and promote to businesses in the area.
- Case study brochure is currently being procured and electronic version of case studies are available on the LEP website.
- The EAN steering group met in January with full attendance and a clear commitment to the programme from all.
- A network meeting of all organisations delivering any work experience/enterprise/STEM activity in to schools has been convened with good attendance and an excellent willingness to share and co-operate. Future meetings will be held quarterly to enable cross referral and share good practice.

Attachment 1 – Investment Programme Summary (note – this is at Q3)

Attachment 2 – Amber project reviews

LEP PMO 28/03/2018