

HOTSW Investment Programmes

Highlight Report No 49 – SIP 4th June 2019

Reporting period

May 2019

Summary Comments

At the May SIP meeting the Blue Screen ICT business cases was approved, subject to phasing and conditions. Variations to the Wells and Wiveliscombe unlocking growth fund projects were approved later in May by email.

Following a discussion at the May SIP meeting regarding the Annual Performance Review it was agreed a letter would be sent to all projects and this has been implemented.

Further work has taken place on the outputs programme summary document for presentation at the June SIP. This will enable outputs information to be updated quarterly for SIP review in an easily digestible format, at the same time as for the dashboard.

Growth Deals

Business cases and funding agreements

All GD1 business cases are approved or partially approved – with 1 remaining to finalise for funding agreement/decision on proceeding. See table below for details of outstanding actions.

All GD2 business cases are now approved – 15 in total, including 8 in Unlocking Growth Fund. There are also agreements in place for the 3 Growth Hub/Hinkley business support projects which have been delivering for some time. 3 GD2 funding agreements are yet to be completed.

10 GD3 business cases are now approved - 6 GD3 business cases approved by SIP - South Devon College, North Devon Enterprise Centre, iAero, SEIC Phase 3, Blue Screen ICT and Constructing Futures, plus 4 GD3 transport projects with Programme Entry approval – Huntspill Energy Park, Toneway, Houghton Barton and Plymouth Central Station. 1 GD3 business case is yet to be approved.

4 GD3 funding agreements are signed, with 7 yet to be completed.

There are now **11** outstanding GD1, GD2 and GD3 funding agreements, as follows:

| Project | Funding Agreement Status |
|----------------|---|
| GD1 | |
| 4G Mobile | First stage business case approved. Updated business case presented at November 2018 SIP Jan 2019 Board meeting decision to halt project in line with digital strategy. |
| GD2 | |

| | |
|------------------------------------|--|
| EPIC | Drafting now complete, most conditions met. Funding gap letter received and schedules being updated. |
| Unlocking Growth Fund | All allocated to 8 approved projects. 6 signed, 2 in signing process –Caddsdow, Claylands. |
| GD3 | |
| Somerset Innovation Centre Phase 3 | Business case approved at April 2019 SIP. Funding agreement in development |
| CDS Phase 3 and Mobile | Pre-business case approval – supporting digital strategy in development. |
| iAero (South) Centre | Business case approved at November 2018 SIP. |
| Blue Screen ICT | Business case approved at May 2019 SIP meeting. Funding agreement in development. |
| Houghton Barton Package | Programme Entry approval at December 2018 LTB. Final approval target March 2020 |
| Taunton Toneway | Programme Entry approval at October 2018 LTB. Final approval target December 2019 |
| Plymouth Central Station | Business case Programme Entry approval – LTB Dec 2017. Final approval target June 2019. |

Delivery

At end 18/19 27 projects have completed spending their Growth Deal funding, including: Exeter Science Park GD1, Exeter Science Park Grow Ons, 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, UGF-Highbridge, UGF-Yeovil, Oceansgate, Youth Construction Skills, South Devon GD3 and Torbay Western Corridor.

Variation requests notified that remain outstanding for review by SIP are currently Flood Action Plan and Connecting Devon and Somerset.

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 1 GD1 and 4 GD3 projects. | A |
| Scope and objectives | Programme is within the scope and objectives agreed by LEP Board and government | G |
| Budget | Headroom from GD1 transport projects was reallocated. Some potential for further funds to be reallocated as underspends are identified. | G |

Programme milestones and activities this period

| Activity | Comment | Completion date |
|--------------------------------|--|-----------------------------|
| Funding agreements signed | 48 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 18/19 total cumulative spend of approx £108.77m including Growth Hub/Rev GD2 projects. | Quarterly |
| Monitoring and Evaluation | Outputs sheet developed for submission to government | 26 th April 2019 |

Other activities in next period Q1 19/20

| 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. Individual project meetings to be set up for review of delivery. | Ongoing |
| Monitoring and Evaluation | Begin reporting cycle for Q1 dashboard report to MHCLG. | July/Aug 2019 |

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. UGF identified as means to utilise any underspend going forward. | 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 – no update

From Government funding of £197.83m available (not including Forder Valley Link Road) £196.07 + £1.85m has been allocated by the LEP to projects + topslice giving **-£0.23m** of required. However, this is subject to change as projects complete and clarification on a handful of projects with the Accountable Body.

18/19 Q4 data and forecast – no update

Note: table adjusted to reflect minor adjustments by SCC for previous years (mainly due to accruals).

Key points:

£16m slip into later years at end 18/19. Expenditure profile document will provide detailed breakdown. This is split across 19/20 and 20/21 with substantially more funding to be spent in 20/21 than previously forecast. Profile for 19/20 now £49.15m and needs to be validated with projects.

| | 2015/16 £m | 2016/17 £m | 2017/18 £m | 2018/19 £m | 2019/20 £m | 2020/21 £m | Total £m |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---|
| Forecast spend £m (GD1) | 20.92 | 29.88 | 23.33 | | | | 110.28 |
| Forecast spend £m (GD2) | 0 | 1.01 | 5.96 | 14.44 | 14.82 | 6.99 | 40.1 |
| Forecast Spend £m (GD3) | 0 | 0 | 0.99 | 4.52 | 15.91 | 12.707 | 45.72 (including reallocation of £2.15m from GD1) |
| Forecast spend £m TOTAL | 20.92 | 30.89 | 30.28 | 26.68 | 49.15 | 38.29 | £196.05m (not including headroom/project mgmt. allocation of £1.78m) |

Growing Places Fund

Programme Summary

DC Homes –no update - 16 claims now paid – this is the last claim for GPF funding but progress claims will continue to be received until project completion. Opening event held early November.

All further Collateral Warranties now received for review and signing.

Broadband –no update -GPF funding agreement signed Dec 2016 and project mobilisation has begun. A request to review expenditure profile has been discussed by SIP in January and an updated reprofile is awaited.

South Yard/Oceansgate – Minor variation approved and GPF agreement being finalised for loan issue.

Other GPF projects are in repayment or complete.

Other projects

Careers Hub

Careers Hub – bid for expansion was confirmed by DfE on 20th May. From 1st September 2019 the number of schools supported by the Hub model will increase from 40 to 60. The match funding needed to recruit to full capacity for the current hub and the additional FTE for the expansion has been secured from the Plymouth City Deal Youth Deal funding.

Digital Skills Partnership

Digital Skills Partnership met on April 1st. Discussion and actions included; update on the Barnstaple Centre of Technology and Innovation Excellence £1.2m ERDF project, IoT, Tech South West report, Task and Finish groups that are taking forward the first 5 tasks from the 2019-2020 Action Plan (Employer and Training Provider regional roundtables, Digital Ecosystem for HoSW Blueprint, Digital Skills slide deck for schools campaign, #HOTswDigitalSkills industry expert campaign and sign off of Action Plan and Infographic)

Marketing assets have been produced that will help us raise awareness of the Digital Skills Partnership (Business cards, Roller Banner pop, Newsletter Template, Infographic and Action Plan). The Infographic and Action Plan are in the final review stages and will be circulated next month. The 1st Newsletter (available [here](#)) was sent out on before the Easter break and has doubled the audience subscription on sending from 75 to 150 signups- this will be our main comms channel for sharing news and opportunities you can sign up for future editions [here](#). Our second update on gov.uk blog was also published [here](#).

Website: our page on the LEP website is updated and a vanity url set up to help people navigate to the DSP information - www.hotswdigitalskills.com . DCMS have sign off to create a national DSP website which will have regional microsites.

After reviewing the Business Basic Fund, DSP have supported Devon County Council's bid that was already in development with digital skills statistics and evidence. There will be an opportunity for the DSP to bid into future rounds of the BB fund where there is a good fit with a skills need or a DSP business case. There is also an opportunity to work with BEIS to be part of regional control trials to test optimum channels and methodologies for engaging businesses in productivity growth activities. This program doesn't bring funding but requires a small time commitment in return for shared insights to inform future programs and support maximum engagement. More information on this has been requested to consider further.

Program development for the Digital Skills Innovation Fund continues; working with multiple partners (LearnDevon, Somerset Skills and Learning, FE colleges, NobleProg and Cosmic) to define the training offer. Job Description has been drafted for a project coordinator (funded by DSIF) reporting into the Digital Skills Partnership Manager.

Regional digital skills workshops from Lloyds and Facebook are being planned for 2019.

Asks from regional coordinator day at DCMS include 1) Does HoSW LEP want to hold the inaugural Digital Skills Partnership summit? Would HoSW LEP want to see a high street space, reused as a national providers skills hub? Do we want to take advantage of an offer from the Whitehall Industry Group to facilitate events through their regional members (offer is event planning, space and refreshments).

Small roundtable held at Exeter Science Park with Simon Leeming , Head of the National Digital Skills Partnership and some of the region's larger employers - EDF, Met Office, UKHO, Securious, STEMLearning the meeting has helped galvanise the support of these employers. A clear request business was to produce a Digital Skills Blueprint to help with clarity of the digital stakeholder landscape across the HotSW region. Digital Skills Partnership exhibited at Tech Storm at the Met Office and presented at Tech Exeter. Meetings during the March and April held with EXIST, Impact Lab (Robert Kathro and Sarah Frear), Engineering UK, STEMLearning, TechNation, EDF Energy, City College Plymouth, Plymouth City Council

Careers Learning Pilot – No update

The Careers Learning Pilot is working towards its second cohort of learners predominantly through learning providers who were successful in recent growth applications. This is enabling the three pilot outreach areas to work on a longer lead in period to be able to test the cost/outreach model further. The three outreach areas are Western Somerset (Somerset Skills and Learning), Plymouth and Torbay (South Devon College) and Northern Devon (Learn Devon) who employ two work coaches each to work with target learners, with additional CIAG provision contracted through Prospects. The Learning and Work Institute will be running a session in early November with the work coaches and Prospects to look deeper into the outreach work coach model, the session is being supported by Pluss. Hannah Halford has joined the Pilot as Project Manager, Hannah has over ten years' experience working in Adult Learning and has worked on several DfE/LWI projects from within the Learn Devon team.

CONFIDENTIAL ATTACHMENTS:

Attachment 1 – Investment Programme Summary

Attachment 2 – Amber project reviews

Attachment 3 – Outputs programme summary

LEP PMO 28/5/19