

HOTSW Investment Programmes

Highlight Report No 50 – SIP 6th August 2019

Reporting period

June/July 2019

Summary Comments

At the June SIP no decisions were made on business cases or variations. Following a detailed conversation regarding the Somerset Flooding project and the change to intervention rate and outputs, it was agreed that a further paper would be provided to the July SIP for a decision. Due to a small agenda, the July SIP was cancelled, and the paper was circulated by email for a decision, along with an update on the Marsh Barton Station project. SIP Members voted by email to approve the variation on Somerset Flooding, which included an intervention rate increase. This was outside the recently agreed policy (used previously for Transport projects) as discussed at the June SIP meeting. Considering the assurance framework, this policy and variation to it is within SIP's remit to agree and does not require Board approval.

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. Results are attached and a new section developed in this highlight report for regular updates. A communications update will also be provided with future highlight reports. The letter from government highlighting the areas needing improvement on delivery is attached.

The quarterly dashboard report is also being produced for August SIP sign off, as part of the quarterly monitoring process on outputs and expenditure to be submitted to government.

Exeter Science Park has written to the LEP regarding outstanding conditions on the Open Innovation Building grant funding agreement. Business LG officers and PMO are reviewing and no issues are foreseen currently.

We are now more than half-way through delivery with 30 projects having completed their growth deal expenditure at end Q1 2019/20. We have spent approximately £110m with approximately £87m remaining – estimates to be validated as part of the Q1 dashboard process.

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. 1 GD2 funding agreement is 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 – Blue Screen ICT - has been approved subject to conditions and further information to be provided.

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

There are now **9** 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	Conditions met, built and opening in September. Expecting to be signed 2 nd August and grant drawdown in Q2 19/20.
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 Q1 19/20, 30 projects have completed spending their Growth Deal funding, including: 24 GF1 projects, 4 GD2 projects and 2 GD3 projects.

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

Annual Performance Review

Regarding actions from the Annual Performance Review identified at the May SIP, a letter was sent from the CEx to all projects with spreadsheets to complete regarding expenditure, outputs and communication/PR schedules by end June/July. Updated expenditure profiles have been provided and a summary is attached, highlighting the agreed expenditure for 2019/20 and 2020/21. This is the remainder of the Growth Deal budget to be spent. We will now endeavour to work with projects to ensure this profile is adhered to, within a 10% variation as per government's request.

We will contact any projects deviating from their planned profile by more than 10% when Q2 claims come in and each subsequent quarter to identify any issues to bring to the attention of SIP. The Amber Project Review sheet will be used to raise any projects with delivery issues to the SIP and enable decisions to be made on how to address these. Minor slippages to be caught up in the subsequent quarter will be recorded.

Outputs forecasts have also been received, although projects have been less diligent about responding on these. The updated outputs forecast is also attached.

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	50 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 Q1 19/20 total cumulative spend of approx £110m including Growth Hub/Rev GD2 projects (TBC)	Quarterly
Monitoring and Evaluation	Outputs sheet developed for submission to government	23 rd August 2019

Other activities in next period Q2 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 Q2 dashboard report to MHCLG.	Nov 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	14.44	14.82	6.99	110.28
Forecast spend £m (GD2)	0	1.01	5.96	4.52	15.91	12.707	40.1
Forecast Spend £m (GD3)	0	0	0.99	7.72	18.42	18.59	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 by end July 2019. Loan drawdown to follow immediately.

Other GPF projects are in repayment or complete.

Other projects

Careers Hub

Recruitment process is complete, 3 new members of staff will join the Careers Hub team in September, enabling the Hub and EAN to support 121 schools against a CEC target 117.

Digital Skills Partnership

Activity

Digital Skills Presentations delivered at the following events; Women in Technology, Exeter College Leadership Away Day, South West Business Council. Venturefest, Institute of Chartered Accountants, Connected Britain

Exhibited at Changing Horizons event for yrs 7 & 8 at South Devon and Venturefest, Sandy Park.

July 2nd held a Training Provider and Employer Roundtable at the UKHO
Lloyds Digital Knowhow Workshops ran in Bridgwater & Yeovil. Further workshops planned for Barnstaple 10/9, Frome 19/9, Plymouth 3/10, Taunton 10/10

Claire Prendergast, Digital Skills Innovation Fund coordinator now in post and will be progressing delivery of this project which will upskill 150 learners by July 2020

KPI's now set against the Action Plan to be tracked monthly and reported on in annual end of year report.

Conversations

Digital Skills Highstreet Hub

DCMS and the National Digital Skills Partnership Enterprise Delivery Group are looking to pilot high-street digital skills hubs. Call brokered with Grenadier estates re suitability of

Paternoster House on Exeter high-street. Following on from call Exeter City Council , College and Grenadier House pulling together proposal.

Schools British Esports Championships - Tom Dore

Following last year's pilot. The British Esports Championships for schools and colleges are signing up secondary schools and colleges to take part in the 2019/2020 championships. As well as developing team work and strategy skills, participation in e-sports is engaging pupils who have traditionally not engaged with IT/ computer science with IT teachers and digital spaces. Schools in our patch that are either signed up or who have expressed interest include:-

- Bridgewater & Taunton (Game development course) – Richard Everard
- Park Community School (Barnstaple) - Jon Williams
- South Devon college – EOI – Andy Berry

Microsoft

Following a phone call with Nicola Dillion (Local Government South West representative) a wish list for engaging with Microsoft in the area has been requested to include:

- 1.Regional 'Make a Champion' day.
- 2.Microsoft EduLive event for Plymouth, Torbay, Somerset and Devon County Council public sector, supported services and supply chains
- 3.Digital Literacy and Digital Skills sessions to adopt a train the trainer approach working with Learn Devon, Somerset Skills and Learning, Libraries, Union Learn & Devon Youth Service

Tech South West Awards

HotSW DSP and Cornwall and Isles of Scilly Digital Skills Partnership are co-sponsoring the Tech South West 'Best Education Initiative' Award.

Progressing

Makematic/ Skillsumo

Project to develop short videos showcasing breadth of digital roles and local technology employers. Cost £5,000 for 5 films. Have spoken to some local employers who may match fund production of in return for access to content to use on their own channels.

Proposal for other funding to be submitted to HotSW Careers Hub Steering Group.

SPARKHOTswDIGITALSKILLS

Poster campaign in development to encourage experts from regional digital and technology businesses to volunteer with Code Club, BT Barefoot and STEM. Ideally employees would use corporate volunteering time to support digital projects in the community for the younger generation. Campaign to go live in August.

Buzz Start Academy (Facebook/ Freeformers program)

2.5 hour session on hands on make, learn, do program which in total has 6 modules covering Innovation, Social Media, Web Presence, Cyber Security, Data, AI. Sessions booked for Exeter College 8th of October City College Plymouth 30 & 31st of October, Plymouth College of Art date TBC, Bridgewater and Taunton College date TBC. Discussing with other colleges possible dates.

Exeter's First Analytics Conference 10th of October 2019

The Digital Skills Partnership is working with the University, College, Oxygen House and Impact Lab to organise this event which aims to put Exeter on map as national hub of data excellence and improve the supply of data skills and talent in the city.

Exeter Analytics Network have agreed to share update at the LEP annual conference in November to align with the LIS focus area of Data/ AI.

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 (to follow)

Attachment 2 – Amber project reviews

Attachment 3 – Expenditure Profile

Attachment 4 – Outputs profile (to follow)

Attachment 5 – Annual Performance Review Letter

A Communications update will be provided with future Highlight reports

LEP PMO 30/7/19