

## **HOTSW Investment Programmes**

### **Highlight Report No 58 – SIP September 2020**

#### **Reporting period**

July/August 2020

#### **Summary Comments**

Decisions at the July SIP meeting were as follows:

<b>SIP Paper</b>	<b>Decision Agreed</b>
Genesis Building Update	To agree repayment holidays in principle until April 2021 then look to complete a reprofiling.
Torquay Gateway funding variation	SIP to endorse recommendation 1 on the paper to the LEP board as a pragmatic step to ensure money is spent by 20/21.
Growth Deal Future Funding	Freedoms to be extended from CDS/Digital projects to include Taunton Toneway.

There remain 2 existing projects with business cases with approval/final approval outstanding – CDS GD3 and Houghton Barton. Significant progress has been made with finalising funding agreements.

The table below has more information on approval and funding agreement timelines.

Following the project forecast exercise, the final 1/3 of funding to come in the Autumn was confirmed. There is a Mid-Year Review due to take place with government in late September with no major issues expected from the previous Annual Performance Review.

The Q1 20/21 total LGF spend as per the dashboard submitted to government was £8.19m, on forecast, taking accruals into account for the previous quarter, bringing cumulative spend to approx. £157m.

The Getting Building Fund business cases were all submitted by the 1<sup>st</sup> September deadline and have been sent to appraisers for a decision at the October SIP meeting.

On Growing Places Fund, the novation documents are complete between DCC and SCC and with legal departments ready for signing mid-August.

### **Growth Deals**

#### **Business cases and funding agreements**

All GD1 business cases are approved or partially approved. All GD2 business cases are now approved and funding agreements signed. On GD3 - CDS GD3 is now the only business case outstanding with other business cases approved and funding agreements signed, with Houghton Barton transport scheme awaiting final approval by the LTB.

Update on outstanding business cases/funding agreements is as follows:

Project	Funding Agreement Status
GD1	None
GD2	None
GD3	
CDS Phase 3	Pre-business case approval, awaiting outcome of procurement. Funding allocated to Bower Lane project on a loan basis with a signed funding agreement.
Houghton Barton Package	Programme Entry approval at December 2018 LTB. Funding agreement signed early June 2020. Final approval due Sept 2020.

### Delivery (no update)

At end Q1 20/21, 41 capital projects have completed spending their Growth Deal funding, including: 26 GD1 projects, 12 GD2 projects and 3 GD3 projects. 1 project completed LGF spend this quarter – Claylands and we have 20 live capital projects to complete in 20/21.

Monitoring will continue as per the projects' Monitoring and Evaluation Plans but we are expecting some outputs delays with live projects, as well as those in development, due to social distancing measures etc.

### Annual Performance Review and project monitoring (no update)

Following the APR that took place in January 2020 the outcome was received in early April 2020 and confirmed as:

Governance: Good

Delivery: Good

Strategic Impact: Requirements Met

This means we will continue with the good practice put in place in 2019 and do not need to develop further measures at this stage to monitor project delivery and expenditure.

### Programme Overview (no update)

	Comment	RAG
Timescale	Programme is live. Business case approval is complete for all but 2 GD3 projects. Due to the Covid 19 pandemic delivery will be monitored closely each month via the amber projects review process already in place.	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. £4.07m mobile funding reallocated to digital projects at April SIP. A small amount of headroom remains which is currently underwriting the Growth Hub.	G

## Programme milestones and activities this period

Activity	Comment	Completion date
Funding agreements signed	54 funding agreements signed. Others in progress or outstanding as above.	Ongoing
Project business case approval	Ongoing	Ongoing
Claims paid	Claims paid to end Q1 20/21 total cumulative spend of approx £157m including Growth Hub.	Quarterly
Monitoring and Evaluation	Outputs/finance sheet submitted to SIP/s151 officer and government by the reporting deadline.	22 <sup>nd</sup> August 2020

## Other activities in next period Q2 20/21

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	Next quarterly reporting submission	22 <sup>nd</sup> November 2020 (estimate)

## 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/AB
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/AB
Covid 19 pandemic is causing some projects to stall or be delayed in delivery and expenditure.	Medium Risk. SIP to monitor within Amber Projects review process and put mitigations in place, as needed. Risk level has been reduced from High to Medium.	SIP/LEP Leadership Groups/LTB/PMO/AB

## Budget summary - At Q1 20/21

At end Q1 20/21: Of govt allocation of £197.83m £157m has been spent and £41m approx. is remaining to spend in 20/21.

Headroom is currently being used as underwriting for the Growth Hub, so is not available for reallocation.

LGF	2015-17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 Forecast £m	Total £m
<b>Spend £m TOTAL</b>	<b>50.49</b>	<b>30.6</b>	<b>27.38</b>	<b>39.96</b>	<b>48.96</b>	<b>£197.14 (headroom of £0.7m)</b>

## **Growing Places Fund (no update)**

### **Programme Summary**

As per overall summary, the main activity has been on the transfer of the Accountable Body role over to Somerset CC. This involves transferring files (new section populated on SharePoint), novating funding agreements and transferring the funds. 2 projects have requested repayment holidays, as yet no further projects have requested extensions.

**DC Homes** – claims all paid. Progress claims will continue to be received until project completion. Variation requested for repayment schedule and meeting held in March 2020 to discuss. Subject to detailed management information this case to be reviewed in the Autumn 2020. A short-term repayment holiday given in the meantime (delegated decision). Their first payment was due in August 2020 and agreed LEP to review by November.

**Millfields – Genesis Centre.** A 3-month repayment holiday request has been submitted and was approved at the April SIP meeting with a letter sent to the project sponsor to confirm. A further request has now been received.

**Broadband** – 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, subject to an overall review of the LEP area delivery contracted.

Other GPF projects are in repayment, repayment holiday or complete.

### **Other projects**

#### **Getting Building Fund**

A detailed report in a similar format to the Growth Deal section of this paper will be provided ongoing following the decisions made at the October 2020 SIP and LEP Board meetings.

#### **Careers Hub update**

Since securing the Wave 3 expansion, all legal, governance and financial tasks needed to obtain sign-off by DCC County Treasurer have been completed and the funding agreement returned to CEC ahead of the deadline. A formal service redesign consultation with staff and unions has taken place and the existing team have been matched to their preferred role. Interviews are now taking place to recruit to the four vacant posts. All Hub, EAN and non-supported schools, colleges, FE, SEND and PRU have been contacted regarding the extended and expanded service. Additional Lead Schools/Colleges have been identified to increase representation across the HotSW. CEC Wave 3

KPIs and funding targets or the HotSW Careers Hub are reflected appropriately in the team and individual performance review processes.

**Digital Skills Partnership update – see attached update.**

**CONFIDENTIAL ATTACHMENTS:**

**Attachment 1 – Devon Skills Partnership update (not confidential)**

**Attachment 2 – Programme Summary Q1 20/21**

**Attachment 3 – Outputs Programme Summary at Q1 20/21 (to follow)**

**Attachment 4 – Project Reviews**

**LEP PMO 02/09/20**