
To: The Chair and Members of the
Heart of the South West
(HotSW) Local Enterprise
Partnership (LEP) Joint
Scrutiny Committee

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

(see below)

Your ref :
Our ref :

Date : 12 June 2019
Please ask for : Stephanie Lewis 01392 382486

Email: stephanie.lewis@devon.gov.uk

**HEART OF THE SOUTH WEST (HOTSW) LOCAL ENTERPRISE PARTNERSHIP (LEP)
JOINT SCRUTINY COMMITTEE**

Thursday, 20th June, 2019

A meeting of the Heart of the South West (HotSW) Local Enterprise Partnership (LEP) Joint Scrutiny Committee is to be held on the above date, at 2.15 pm at Committee Suite - County Hall to consider the following matters.

PHIL NORREY
Chief Executive

AGENDA

1 Apologies

PART I - OPEN COMMITTEE

2 Minutes (Pages 1 - 4)

Minutes of the meeting held on 14 February 2019, attached.

3 Items Requiring Urgent Attention

Items which in the opinion of the Chairman should be considered at the meeting as matters of urgency.

MATTERS FOR CONSIDERATION OR REVIEW

4 Local Industrial Strategy (Pages 5 - 60)

Report of the Chief Executive of the Local Enterprise Partnership, attached.

5 Acceleration of Housing Delivery in the Heart of the South West (Pages 61 - 66)

Report of the Heart of the South West Joint Committee presented by the Chief Executive of the Local Enterprise Partnership, attached.

MATTERS FOR INFORMATION

6 Scrutiny Work Programme

In accordance with previous practice, Scrutiny Committees are requested to review the list of forthcoming business and determine which items are to be included in the Work Programme.

The Scrutiny Work Programme can be found at:

<https://new.devon.gov.uk/democracy/committee-meetings/scrutiny-committees/scrutinywork-programme/>

7 Dates of Future Meetings

Thursday 17 October 2019 @ 2.15pm

Thursday 13 February 2020 @ 2.15pm

PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF PRESS AND PUBLIC ON THE GROUNDS THAT EXEMPT INFORMATION MAY BE DISCLOSED

NIL

Members are reminded that Part II Reports contain confidential information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.

Membership

Councillors J Brook (Chair), R Hosking, J Brazil, R Bloxham, M Lewis, C A Paul, R Williams (Vice-Chair), G Derrick, J Morris and L Howgate

Declaration of Interests

Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.

Access to Information

Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact Stephanie Lewis on 01392 382486.

Agenda and minutes of the Committee are published on the Council's Website

Webcasting, Recording or Reporting of Meetings and Proceedings

The proceedings of this meeting may be recorded for broadcasting live on the internet via the 'Democracy Centre' on the County Council's website. The whole of the meeting may be broadcast apart from any confidential items which may need to be considered in the absence of the press and public. For more information go to: <http://www.devoncc.public-i.tv/core/>

In addition, anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chairman. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.

Members of the public may also use Facebook and Twitter or other forms of social media to report on proceedings at this meeting. An open, publicly available Wi-Fi network (i.e. DCC) is normally available for meetings held in the Committee Suite at County Hall. For information on Wi-Fi availability at other locations, please contact the Officer identified above.

Emergencies

In the event of the fire alarm sounding leave the building immediately by the nearest available exit, following the fire exit signs. If doors fail to unlock press the Green break glass next to the door. Do not stop to collect personal belongings, do not use the lifts, do not re-enter the building until told to do so.

Mobile Phones

Please switch off all mobile phones before entering the Committee Room or Council Chamber

If you need a copy of this Agenda and/or a Report in another format (e.g. large print, audio tape, Braille or other languages), please contact the Information Centre on 01392 380101 or email to: centre@devon.gov.uk or write to the Democratic and Scrutiny Secretariat at County Hall, Exeter, EX2 4QD.



Induction loop system available

Terms of Reference

1. The Joint Scrutiny Committee provides strategic overview and Scrutiny of the activities of the Heart of the South West (HotSW) Local Enterprise Partnership (LEP)

2. In meeting its purpose, the Joint Scrutiny Committee will be specifically charged with:
 - The review of strategic decisions made by the LEP Board;

 - The review of progress of programmes under the management of the LEP to identify barriers to progress, good practice and possible improvements to the LEP's programme management function, notwithstanding the ability of Local Authorities to scrutinise individual programmes of delivery which impact on their communities;

 - Scrutiny of the delivery of the Strategic Economic Plan and the Productivity Strategy; and

 - To review LEP performance and consider any comparative data the Joint Committee deems necessary.

NOTES FOR VISITORS

All visitors to County Hall, including visitors to the Committee Suite and the Coaver Club conference and meeting rooms are requested to report to Main Reception on arrival. If visitors have any specific requirements or needs they should contact County Hall reception on 01392 382504 beforehand. Further information about how to get here can be found at: <https://new.devon.gov.uk/help/visiting-county-hall/>. Please note that visitor car parking on campus is limited and space cannot be guaranteed. Where possible, we encourage visitors to travel to County Hall by other means.

SatNav – Postcode EX2 4QD

Walking and Cycling Facilities

County Hall is a pleasant twenty minute walk from Exeter City Centre. Exeter is also one of six National Cycle demonstration towns and has an excellent network of dedicated cycle routes – a map can be found at: <https://new.devon.gov.uk/travel/cycle/>. Cycle stands are outside County Hall Main Reception and Lucombe House

Access to County Hall and Public Transport Links

Bus Services K, J, T and S operate from the High Street to County Hall (Topsham Road). To return to the High Street use Services K, J, T and R. Local Services to and from Dawlish, Teignmouth, Newton Abbot, Exmouth, Plymouth and Torbay all stop in Barrack Road which is a 5 minute walk from County Hall. Park and Ride Services operate from Sowton, Marsh Barton and Honiton Road with bus services direct to the High Street.

The nearest mainline railway stations are Exeter Central (5 minutes from the High Street) and St David's and St Thomas's both of which have regular bus services to the High Street. Bus Service H (which runs from St David's Station to the High Street) continues and stops in Wonford Road (at the top of Matford Lane shown on the map) a 2/3 minute walk from County Hall, en route to the RD&E Hospital (approximately a 10 minutes walk from County Hall, through Gras Lawn on Barrack Road).

Car Sharing

Carsharing allows people to benefit from the convenience of the car, whilst alleviating the associated problems of congestion and pollution. For more information see: <https://liftshare.com/uk/community/devon>.

Car Parking and Security

There is a pay and display car park, exclusively for the use of visitors, entered via Topsham Road. Current charges are: Up to 30 minutes – free; 1 hour - £1.10; 2 hours - £2.20; 4 hours - £4.40; 8 hours - £7. Please note that County Hall reception staff are not able to provide change for the parking meters.

As indicated above, parking cannot be guaranteed and visitors should allow themselves enough time to find alternative parking if necessary. Public car parking can be found at the Cathedral Quay or Magdalen Road Car Parks (approx. 20 minutes walk). There are two disabled parking bays within the visitor car park. Additional disabled parking bays are available in the staff car park. These can be accessed via the intercom at the entrance barrier to the staff car park.



NB   Denotes bus stops

Fire/Emergency Instructions

In the event of a fire or other emergency please note the following instructions. If you discover a fire, immediately inform the nearest member of staff and/or operate the nearest fire alarm. On hearing a fire alarm leave the building by the nearest available exit. The County Hall Stewardesses will help direct you. Do not stop to collect personal belongings and do not use the lifts. Assemble either on the cobbled car parking area adjacent to the administrative buildings or in the car park behind Bellair, as shown on the site map above. Please remain at the assembly point until you receive further instructions. Do not re-enter the building without being told to do so.

First Aid

Contact Main Reception (extension 2504) for a trained first aider.

HEART OF THE SOUTH WEST (HOTSW) LOCAL ENTERPRISE PARTNERSHIP (LEP) JOINT SCRUTINY COMMITTEE

14 February 2019

Present:-

Councillors J Brook (Chair), Y Atkinson, R Hosking, J Mathews, L Leyshon, M Lewis, C A Paul, R Williams (Vice-Chair), N Cavill and I Bramble

Apologies:-

Councillors C Lewis, S Darling, G Derrick, J Morris, L Kennedy and N Thwaites

Members attending in accordance with Standing Order 25

Councillor J Hodgson

* 10 Minutes

RESOLVED that the Minutes of the meeting held on 2 November 2018 be signed as a correct record.

* 11 Items Requiring Urgent Attention

There was no item raised as a matter of urgency.

* 12 Performance of the Local Enterprise Partnership

(Councillor Hodgson attended in accordance with Standing Order 25(2) and spoke to this item).

The Committee received a Report of the Chief Executive of the Heart of the South West Local Enterprise Partnership (LEP) on the Annual Performance Review of the LEP which was the process by which government monitored achievements and measured progress against three themes:

- Governance
- Delivery, and
- Strategy.

The Report identified a lot of positive activity that was driven and influenced by the LEP and stakeholders recognised that it had achieved a great deal given the limited resources. There was greater partnership and cross-boundary working, particularly amongst local authorities, and the LEP had also identified key economic issues that needed to be addressed and promoted narrative within government circles to do this.

Areas of improvement identified within the Annual Review included, among others, a need for an action plan that clearly articulated the objectives of the LEP to address and how this would be achieved; the need to focus on infrastructure investments; improvements in how the Leadership Groups work together; better communication beyond the LEP partnership; reducing tension in the LEP partnership between private and public sector; the LEP being able to act independently from local authority influence; some rural areas may have benefited less from investment programmes to date; the need to distribute knowledge and information

Agenda Item 2

HEART OF THE SOUTH WEST (HOTSW) LOCAL ENTERPRISE PARTNERSHIP (LEP) JOINT
SCRUTINY COMMITTEE
14/02/19

to a wider personnel within the partnership and the need to develop a 'feedback loop' to the Strategic Investment Panel to develop its wider understanding of what has worked well and what did not with investments made.

Members discussion areas included:

- the need to deliver increased housing in Devon and for the LEP to work in partnership with Homes England;
- the need to generate more GDP and revenue in order to finance social care;
- the need for GDP growth to take into account the impact on social issues and the environment;
- the impact of no devolution deal and how this may have hindered the incentive to receive more money from government to the south west;
- the focus of the LEP on operational aspects of a no deal Brexit;
- the benefits for the LEP in partnership working;
- transport and the LEP being an advocate for investment in the South West's railway; and,
- the economic focus of the LEP.

* 13

Inclusive Growth

(Councillor Hodgson attended in accordance with Standing Order 25(2) and spoke to this item).

The Committee considered the Report of the Chief Executive of the Heart of the South West Local Enterprise Partnership (LEP) and the Chief Executive of the Devon Community Foundation (DCF) on the development of the Social Inclusion Framework which was to be delivered as part of the Productivity Plan. The aim was to double the size of the economy over the next 20 years whilst providing opportunities for all within the emerging Local Industrial Strategy (LIS).

The Social Inclusion Framework outlined that inclusive growth had been highlighted by partners as a key ambition for the Productivity Plan and objectives included defining what was meant by inclusive growth, how the partnership could better understand and achieve inclusive growth and establishing a framework to capture performance over time.

Achieving economic growth remained the most effective way of improving well-being in the area, thereby improving both prosperity and social inclusion. The Productivity Plan showed that economic growth had been principally driven by employment growth and not by a recovery in productivity levels.

Members discussion points included:

- there had been national and international research around inclusivity and that those economies which reduced inequality, on average, had greater productivity;
- the LEP had been looking at supporting social enterprise and local start-up businesses;
- research was ongoing into the numbers of days lost due to illness/mental health and how to address this;
- resources had been given to conduct this research and look at what the LEP could do to address this issue;
- the challenge of social inclusivity in a largely rural area;
- the need to consider the economic and social consequences of decision making;
- some areas of the South West having the poorest social mobility in the Country;
- issues of public transport and social mobility for young people; and

Agenda Item 2

HEART OF THE SOUTH WEST (HOTSW) LOCAL ENTERPRISE PARTNERSHIP (LEP)
JOINT SCRUTINY COMMITTEE
14/02/19

- innovation and small business start ups in the South West and how this could be supported through the LEP.

* 14 Scrutiny Work Programme

In considering the work programme, it was **RESOLVED** that the work programme be agreed with the addition of items added at the meeting:

- Update on housing growth;
- Progress of Inclusive Growth;
- Circular economy – Masterclass; and
- Review of completed projects and lessons learned to include strategic forecast - Masterclass

[NB: The Scrutiny Work Programme was available on the Council's website at <https://new.devon.gov.uk/democracy/committeemeetings/scrutinycommittees/scrutinyworkprogramme/>]

* 15 Dates of Future Meetings

Dates of Future Meetings were noted as:

Thursday 20 June 2019
Thursday 17 October 2019
Thursday 13 February 2020

All meetings to start at 2.15pm with Masterclass sessions at 10.30am.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 2.15 pm and finished at 4.30 pm



HotSW LEP Scrutiny Committee

Chief Executive's Update – June 2019

Report theme: Local Industrial Strategy

Author: David Ralph

1. Introduction

The purpose of this paper is to:

- Update the committee on the LEP performance report from CLGU and improvement plan; and
- Share the work in progress (through a presentation) on the emerging Local Industrial Strategy which is due to be discussed at joint-committee in mid-July.

Action Required from Scrutiny Committee

Headline Achievements since last Scrutiny Meeting

- **Revised Articles for the LEP** have been submitted to Companies House to implement the key recommendations of the Governance review.
- **Institute of Technology successful bid** – the IOT proposals led by Exeter University was one of 12 successful IOT proposals announced earlier this month. There was also a successful in West of England supported by Yeovil College.
- **Environmental Technologies accelerator** - submitted a successful expression of interest –clearing the way for a detailed (£30m) business case to be developed. However, other endorsed bids were not successful although some may choose to resubmit in Round 2 which has now been declared open
- **Digital Skills pilot** - secured £255k for Digital Momentum
- **South-west Exeter secured £53m HIF funding** - to support housing growth in the wider Exeter area

Agenda Item 4

- **Coastal Communities Fund** – Torrington (£1.2m), North Devon £1.5m and the Onion Collective (£5m) West Somerset – all secured Coastal communities funding
- **FDI - HOTS** continues to buck the trend (30% down nationally) with the second highest in the South-west – 22 successful investments
- **GSW APPG** - relaunch was held at the House of Commons on 2nd May 2019 and the first 'hearing' is scheduled for 25 June 2019.
- **Skills Advisory Panel** - £75k received. First SAP likely to meet in June 2019.
- **Core Funding and offer letter** – both the core funding and LGF offer letter and funding for 2019/20 have been received
- Stronger Towns Funding (For south west) confirmed but prospectus (from MHCLG) not yet issued
- Similarly, UK Shared Prosperity Fund not yet consulted on

Update on Annual Performance Review

Appendix 1 sets out the conclusions of the Annual Performance Review from CLGU following our submission (shared with earlier Scrutiny Committee)

Subsequently, we have prepared Delivery Plan and improvement plan for coming 12 months – Appendix 2.

A further mid-year review is likely to take place in September.

As Scrutiny Committee has previously been informed the LEP is assessed on Governance – the LEP review required a full Governance review – Strategy – largely our progress on developing a LIS – and delivery – largely the performance of Local Growth Fund.

The biggest issue identified in this years review was Delivery. The primary assessment for this was a 'spot check' on spending targets where the LEP was considered by CLGU to only have spent 63% of its target against a Treasury tolerance of 90%.

The LEP had not been aware of this target and remains unclear as to how this figure was derived and has raised these concerns with Government (that is assessments are to be made the LEP needs to understand the criteria).

However, we have decided not to challenge the overall grade as we recognise that there are serious challenges in delivery and particularly the time lag between capital project delivery and the delivery of jobs and homes. This is clearly illustrated in our annual performance submission (for 18/19) attached in Appendix 3.

Agenda Item 4

The core challenge is not necessarily the efficacy of the projects but the original justifications claimed in the project proposals of delivery, the project appraisal of key jobs and homes targets by particular dates.

The LEP itself is a commissioning organisation (not a delivery organisation) and is totally reliant on the delivery partners (usually Local Authorities). The time lag in delivery is not specific to individual delivery organisations and relates in part to a lack of timely management information, in part to a lack of accountability for delivery – but mostly to a competitive bidding process where accelerating deliver outputs and timescales is increasingly likely to secure funding (so is arguably incentivised).

The LEP through its Strategic Investment Panel is taking specific action to address this issue.

Local Industrial Strategy

The HOTSW Scrutiny Committee recognised it wanted to look at issues emerging for the LEP rather than only scrutinise past delivery.

On this basis, they expressed a desire to work with the LEP on the emerging industrial Strategy.

However, in recent weeks there has been a significant change in the political leadership of HOTSW Local Authorities so it is proposed at this meeting for the Chief Executive to recap on the progress so far, the next steps and for the scrutiny committee to confirm how they might best wish to engage with the emerging plan.

The LEP is intending to share a working draft of the plan with the joint committee at its meeting on the 13th July and then engage in wider feedback on a working draft after the LEP Board meeting at the end of July.

David Ralph
Chief Executive

Agenda Item 4

2. LEP Dashboards

Key highlights - a series of specific one-page reports on the Business, People and Place themes and key challenges

Workstream: Business

Lead: Amanda Ratsey



The Business theme is focused on supporting business growth and innovation as drivers for wealth. The need for transformation is urgent as despite some notable exceptions our businesses tend to be smaller, older, more insular and less knowledge intensive. Businesses have flagged up that support landscape is fragmented and not understood – the Growth Hub Service for All focuses on signposting and facilitating.

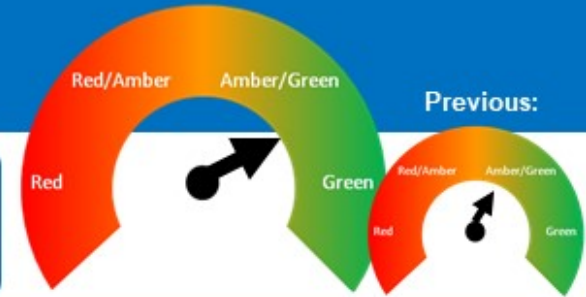
Activity	Highlights
Higher value growth through Smart Specialisation and increasing innovation capacity	<ul style="list-style-type: none"> ✓ GD 1 delivery: all projects have funding agreements ✓ GD 2 delivery: All projects have been agreed by SIP ✓ GD 3 delivery: All projects have been agreed by SIP ✓ HotSW LEP part of wave 2 for LIS development. Evidence base has been agreed by LEP Board and JC and LIS is being developed
Business growth through business support system inc. Growth Hub	<ul style="list-style-type: none"> ✓ By the end of March 2019 the GH had engaged with 5696 businesses, referring 1026 to a local or national service, and providing a more intensive package of 3 hour business support to 414 businesses. 95% of respondents would recommend Growth Hub to business partners/friends, and 91% were satisfied or very satisfied with the referral ✓ ERDF funded Growth Support, Social Enterprise and Start Up programmes are supporting eligible businesses across HotSW ✓ Growth Hub continuation is in progress. Evaluation report has been finalised ✓ Scale Up support – Somerset launch on 16 May at Haynes Motor Museum, Devon launch later
Unlocking Growth Fund	<ul style="list-style-type: none"> ✓ 8 projects have now been approved and UGF is fully committed. ✓ Overall, UGF projects have attracted over £14m match funding and will create 590 jobs
Business growth through new markets and exporting and Inward Investment	<ul style="list-style-type: none"> ✓ ERDF Soft landing package – formal response to MHCLG’s pre-contract conditions was submitted end December. ✓ Interim service is being provided by TDA

Key Issues & Risks	Proposed Mitigating Actions
<ul style="list-style-type: none"> ▼ BREXIT 	<ul style="list-style-type: none"> ✓ LEP has established BROG to identify threats and opportunities; further work is underway ✓ Brexit has been discussed at LEP AGM and BLG and has been made a standing agenda item for BLG
<ul style="list-style-type: none"> ▼ ESIF programmes continuation 	<ul style="list-style-type: none"> ✓ ERDF funded projects will be underwritten for their duration by Treasury. ESIF programmes support has been extended to 2023 ✓ Government has announced creation of Shared Prosperity Fund in manifesto. Formal consultation expected soon
<ul style="list-style-type: none"> ▼ Growth Hub – continuation and future direction 	<ul style="list-style-type: none"> ✓ 1-year extension has been agreed by Board ✓ Growth Hub sub-group has been established ✓ Board has agreed preferred option – work on this has started

Workstream: People

Lead: Keri Denton

Summary: People sit at the heart of our economy. Whilst our people are self reliant, work hard and participate in society, they tend not to be well paid and many are working below their capabilities. Research has flagged that in key areas we face not just a skills crisis but a people crisis – the workforce is too small. We have limited levers to make an impact on these agendas with the majority of education and training budgets still retained centrally. Our focus is on deployment of those budgets we can influence.



Priority /Activity		Highlights / Progress	Key Issues & Risks	Proposed Mitigating Actions	
Creating a responsive environment with the right facilities, which are accessible and have employer engagement	<ul style="list-style-type: none"> ✓ GD1 – All 3 have finished claiming LGF. ✓ GD1 HPTA – All 6 projects signed funding agreements; 5 projects completed and 1 is in progress (National College for Nuclear). ✓ GD3 pipeline - 3 skills capital projects. SD College and Devon Communities Together progressing. Blue Screen business case – approved SIP May 2019, subject to conditions and further due diligence. 	<ul style="list-style-type: none"> ✓ ESF calls and opt-ins tendered in late 2018. £9.5m additional activity agreed in principle across 3 themes – now subject to contracting. ✓ CEC Careers Hub pilot - formal launch in Jan 19. Team in place and engaging with schools and colleges. ✓ Careers Learning Pilot ongoing – delivery happening. Additional courses rolled out Nov 18 & Jan 19. ✓ Institute of Technology – successful - contracting ongoing. 	Ability to deliver ESFA projects in light of reduced timescales and process, and lack of communication and timelines from ESFA.	Contractors delivering. Need to keep on top of contract management with ESFA to get best outcomes. Quarterly review pattern instigated to support LEP assurance role.	
	Increasing productivity by moving people into employment, supporting progress to better jobs and improving workforce skills		<ul style="list-style-type: none"> ✓ LEP worked with MA (DWP) to develop further ESF calls. ✓ DSP – one of 3 nationally. Digital Skills research published & website updated. 2019 Action Plan in progress. Innovation fund bid successful. ✓ Work ongoing on Nuclear and Construction activity. Follow on work for Nuclear sector deal ongoing. Recruitment ongoing for nuclear sector skills post. 	Completion of funding agreements for FE capital projects	GD1 signed and all but one project completed. GD3 delivering, or undergoing due diligence. Ongoing support to ensure projects can deliver. Ensure flexibility within reasonable limits.
	Supporting higher value growth by creating a world class workforce with higher level skills, aligned to opportunities		<ul style="list-style-type: none"> ✓ ESF calls and opt-ins tendered in late 2018. £9.5m additional activity agreed in principle across 3 themes – now subject to contracting. ✓ CEC Careers Hub pilot - formal launch in Jan 19. Team in place and engaging with schools and colleges. ✓ Careers Learning Pilot ongoing – delivery happening. Additional courses rolled out Nov 18 & Jan 19. ✓ Institute of Technology – successful - contracting ongoing. 	Managing expectations around EU funding	Maintain dialogue & comms with all stakeholders and partners, including Government. Implementation for £28.6m of ESF underway, or complete with provision being made for further calls for remaining funds.
			Lack of investment through future funding rounds - such as growth deal, particularly for skills projects.	Support to develop pipeline projects with robust business cases. Pipeline established for GD3, but need to maintain momentum and explore additional funding streams	
			Concerns around skills funding and FE landscape – linked to Area Based reviews and devolution	Emerging thinking & work ongoing on Productivity Strategy to reflect local priorities. Wider work underway with partners around national policy / consultations.	

Workstream: Place

Lead: Paul Hickson

Summary: Place issues play a vital role in the growth of HotSW. Investment through Growth Deals and our wider influence on infrastructure investment is key to delivering the HotSW strategic economic plan

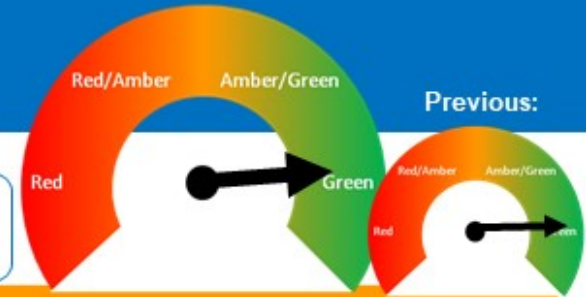


Activity	Highlights
Infrastructure for growth (inc transport, digital, flood management and energy)	<ul style="list-style-type: none"> ✓ Energy - The March Board recognised the joint LEP work to date. Collaborative work on the Delivery Plan scheduled to begin on 20th May. ✓ Energy Grid – a draft brief on energy distribution and capacity issues for James Heappey, MP has been prepared. ✓ SW Energy Capacity Hub – Project Manager is now in post and an introductory meeting held. Next steps include discussion of existing and future projects and where support may be needed.
Facilities for more and better employment (inc Enterprise infrastructure, employment sites and housing sites)	<ul style="list-style-type: none"> ✓ Defence Sector Review – A draft project requirement has been developed. ✓ Broadband - CDS Programme is looking at options on current delivery and commencing Open Market Review (OMR) to test the market plans in order to inform future delivery alternatives. Broadband strategy to be developed. ✓ Mobile - to be incorporated into the CDS programme once the Broadband strategy is prepared.
Facilities for higher level growth (inc specialist sites, innovation infrastructure and max our env assets)	<ul style="list-style-type: none"> ✓ Flood Action Plan – variation request being prepared for June SIP ✓ Future High Streets Fund – A total of 14 Expressions of Interest were received and letters of support provided to all bids prior to the submission deadline.

Key Issues & Risks	Proposed Mitigating Actions
<ul style="list-style-type: none"> ▼ Understanding spatial dimension to our growth agenda 	<ul style="list-style-type: none"> • Co-ordinate and facilitate placelated input to development of HotSW productivity plan, including stakeholder awareness and engagement in consultations • Facilitation of joint working and awareness raising among LNPs and other environmental stakeholders of productivity plan process and HotSW Natural Capital framework • Co-ordinating development of LEP responses to development plan consultations
<ul style="list-style-type: none"> ▼ Energy/Grid infrastructure 	<ul style="list-style-type: none"> • SW Energy Capacity Hub has now been set up and a manager appointed. Key issues are to develop effective regional partnership working informed by the outcome of regional energy strategies.

Workstream: Finance & Resources

Lead: Mel Roberts / Ben Bryant



The underspend to budget ended up larger than forecast, being £726,951. This is largely attributed to additional interest on growth deal funding, exchanging more funding than needed in the financial year to be earmarked towards future budget requirements and other general operational underspends.

Activity	Highlights
Budget / Finances	<ul style="list-style-type: none"> ✓ The £726k underspend was made up of the following: <ul style="list-style-type: none"> ❖ £250k from the contribution exchange with Plymouth CC. This will provide support to future years budgets. ❖ £187k additional interest earned from the investment of the growth deal capital funding held. ❖ £141k underspend on the Collaborative Working budget. ❖ £148k attributed to other general underspends across all other budgets ✓ Of this underspend, £519k has been earmarked for specific use in future years. Details of these are noted in the financial position spreadsheet ✓ The value of the general reserve is £1.8m, which has been planned for use in the 3 year forward budget.

Key Issues & Risks	Proposed Mitigating Actions
<ul style="list-style-type: none"> ➤ Project funding & spend (on going) – projects need to spend on profile and ensure claims are only for eligible spend. ➤ The LEP await confirmation of ongoing future operational grant. 	<ul style="list-style-type: none"> ➤ PMO in frequent engagement with projects to understand and promote progression of each in line with application profile. ➤ It was agreed at the latest SIP board that a communication be sent to all projects to provide as up to date forecasts with reasons on slippage, with a focus to projecting spending up to the 2021 deadline and providing timelines for the continued delivery of outputs. ➤ Guidance offered to projects on request and encouraged to engage their advisors regarding capitalisation of cost. ➤ Assumptions are based on current receipts, in the 3 year forward plan. If funding isn't forthcoming and at the same value, the full amount of reserves will be required.

Growth Hub Dashboard for HotSW Business Leadership Group to 31 March 2019

Key Performance Indicators (Contract Outputs)

Ref.	Deliverables	OVERALL	Extension Actual	Extension Profile	RAG
B1	Number of (countable) businesses engaged	5,696	205	150	
B2	Number of businesses referred to local or national schemes	1,026	29	25	
B3	Number of businesses receiving more intensive support	414	14	15	
B4	Number of networking events for partners	37	1	1	
B5	Number of OLAs actively managed	10	20	10	
B6	Annual Report of Mapped Business Support	2	0	0	



Above. (1) the new 'Pod' at Exeter Science Park and (2) Nick Hewer presents Amy Lawson of Somerset-based Eco-Friendly Shop with a Fairtrade Gold Award.

March marks the start of the extension contract with new KPI targets to deliver in-year. The Growth Hub team have made a good start with KPIs on track and a pipeline of business support activity in progress including Start-Up seminars and resource pack, tailored workshops for tourism and retail businesses, along with on-going business engagement activity such as radio adverts, monthly newsletters and social media campaigns.

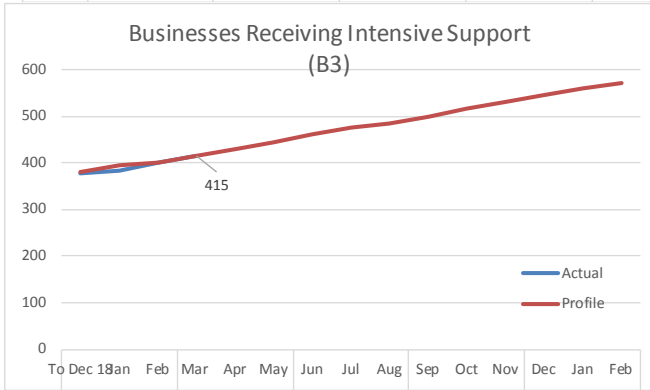
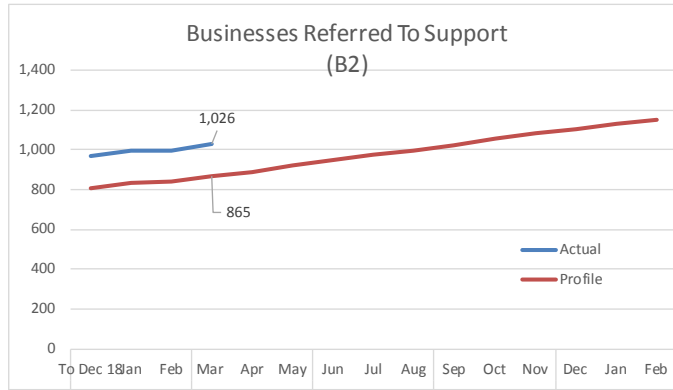
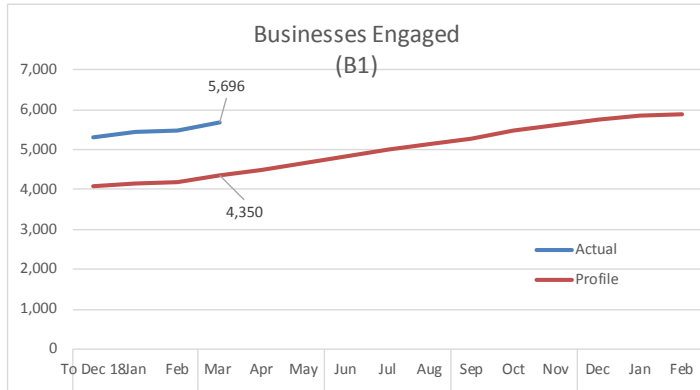
Highlights

- Start-up Campaign – launched mini-series of Smart Start seminars at the Nook, Cullompton; resource pack for pre-starts and start-ups; fully booked already for May seminar with Plymouth Library. [Starting Up in Business - Growth Hub](#)
- Brexit Resources – dedicated web pages giving access to a range of resources provided by Government and partners which aim to help businesses plan for the various Brexit scenarios they may face. [Brexit Business Resources - Growth Hub](#)
- Rural Tourism harnessing technology workshops – well attended workshop at the Hartnoll Hotel, Tiverton. Working with Visit Dartmoor and Visit Devon.
- Campaign targeting retail businesses – tailored digital technology workshops for retailers and follow-up 1-to-1 support. Working with Local Authority contacts and BID managers.

A busy month for enquiries to the Growth Hub team. The team were out and about at various events in March including, amongst others, the DIT Export Forum Breakfast event, Visit Dartmoor Tourism Day, Innovation in Care Exhibition, Enterprise Mendip Business Day and the Somerset Business Show. The top schemes for business referrals in this month were (1) ERDF Start Up & Grow (2) ERDF Growth Support Programme and (3) Skills Support for the Workforce.

Partnership meetings in March included the Rural Special Interest Group, HotSW Careers Hub, Environmental Futures Impact Lab and various evaluation discussions regarding the BBfA Partnership, Innovate2Succeed and the Local Manufacturing Advisory Programme.

Performance Graphs



Risk No	Risk Description	Mitigation / Actions	RAG
7	Lower than profiled take-up of business support. Contract extension requires high numbers of new businesses (not previously engaged).	Comprehensive, multi-channel business engagement strategy. Working closely with LEP and stakeholders. Experienced and highly capable Growth Hub team.	
6	Requirement for rapid response to support businesses in the event of a no deal EU-exit.	Likelihood reduced due to recent political decisions. Working closely with the LEP and BROG stakeholders to keep updated with preparations. Brexit campaign on-going to encourage businesses to prepare.	
5	GDPR implementation could impact upon business engagement activity and inhibit the ability to collect & share data.	Data compliance plan actions progressing. Data inventory and mapping done. Privacy policies updated in conjunction with data controller (SCC).	

Heart of the South West LEP Finance Management Report

Our finances are managed by Devon CC and Somerset CC according to appropriate financial regulations, so the board can be assured on the financial propriety and robustness of our situation. The tables above set out the financial position on our core funding to manage the LEP against the budgets for this year and anticipated y/e out-turn as at the end of March 2018. Performance against budget is reviewed by the Finance and Resources committee and commitments are regularly reviewed in light of actual income and costs.

Financial Management Report as of 31 March 2019

	2014-15	2015-16	2016-17	2017-18	2018-19 <i>As at 31/03/19</i>	2019-20	2020-21	2021/22
GD operations								
Income budget	1,003,456	1,412,368	1,686,912	1,570,000	1,770,000			
Income actual (to date)	1,072,141	1,427,915	1,892,688	1,727,387	1,835,000			
Income commitments								
Income surplus / (deficit)	68,685	15,547	205,776	157,387	65,000	-	-	
Expenditure budget	900,994	1,434,930	1,548,381	1,563,488	1,934,850			
Expenditure (to date)	877,699	1,185,292	1,204,650	1,172,082	1,445,477			
Expenditure commitments								
Expenditure surplus / (deficit)	23,295	249,638	343,731	391,406	489,373	-	-	
Projects								
Budget				52,720				
Income (to date)				264,460				
Expenditure (to date)				236,036				
Commitments								
Project surplus / (deficit)	-	-	-	81,144	-	-	-	
Surplus/ deficit to reserve	194,442	242,623	688,038	555,305	389,523	-	-	
Reserves								
	2014-15	2015-16	2016-17	2017-18	2018-19 as at 31/03/2019	2019-20	2020-21 Forward Estimate	2021-22 Forward Estimate
LEP Operations reserve								
Opening balance	0	236,442	482,929	1,135,017	1,690,322	1,795,671	1,795,671	
Operations surplus/deficit	236,442	246,487	652,088	555,305	389,523			
Interest on growth deal capital					337,428			
1819 draw from reserve					- 134,576			
1819 Projects closing entries					32,455			
Closing balance	236,442	482,929	1,135,017	1,690,322	2,315,152	1,795,671	1,795,671	Held by SCC
Commitments to reserve ie (Earmarked into 2019/20)						- 519,481		

Detailed commitments to reserves							
1718 projects under/over to core reserve					- 69,612	1718 total	
1819 projects under/over to core reserve					20,879	1819 total	
Total due from Projects for closing balances						- 48,734	
Core ongoing + new Commitments							
Special Projects Fund: ESIF Growth Hub Match					- 40,000.00	ESIF Growth Hub Match £40k.	
Special Projects Fund: SW Tidal Hub (now to be possibly used for MOD sites project?)					- 40,000.00	SW Tidal Hub (now to be possibly used for MOD sites project?) £40k.	
Special Projects Fund: Enterprise Zones					- 22,500.00	Huntspill & Oceansgate match funding to projects	
Special Projects Fund: Rural Productivity Commission					- 12,240.10	Match funding to project	
Reasearch - LEP Contribution to Economic Model					- 9,334.00	LEP Contribution to Economic Model Agreed by EJ See IY email 14& 20/12/18	
Emma ERDF work					- 2,000.00		
Inward Investment					- 1,849.51	Underspend	
Staff Redundancy					- 15,000.00	Current agreement at the Board the reserve would hold 1 quarter for SLA and staff budget.	
Technical Assistance Project					- 63,293.60	Project being led by Sam Seddon (SCC- Ec Dev) - EJ agreed from reserve	
Research - SCMC supply chain 1819					- 25,000.00	Research - SCMC supply chain 1819	
Strategy & Policy Prog Mgt (Emma B & Rebekah) 1819					- 15,500.00	Strategy & Policy Prog Mgt (Emma B & Rebekah) 1819	
Inward Investment - Misc activity 1819					- 12,400.00	Inward Investment - Misc activity 1819	
Cluster - HSDF MEH Skills Research 1819					- 8,000.00	Cluster - HSDF MEH Skills Research 1819	
Collaborative Working - Employment land study 1819					- 10,000.00	Collaborative Working - Employment land study 1819	
Delivery plan IT equipment					- 12,000.00	It equipment for addiotnal coordinators (EJ email 25/03/19)	
LEP review funding -non dormant CIC analysis 1819					- 181,135.00	LEP review funding -non dormant CIC analysis 1819	
Overheads GDPR IT and Infrastructure Audit					- 495.00	As per IY email 29/03/19	
						- 470,747.21	

Funding & Programme Management

The Strategic Investment Panel met in February. Updates on progress are available in the Programme Highlight report below– and decision tables are also attached for the meeting. Tables of individual project progress are also in the table below.

SEE NEXT PAGE FOR START OF TABLE

Q4 18/19 Dashboard – Approved 2nd May 2019

Deliverables Progress								
	This Qur	16-17	Financial Year				21-25	Total
			17-18	18-19	19-20	20-21		
Housing								
Houses Completed	334	1,630	1,070	593	0	0		3,263
Forecast for year	2,686		1,795	2,595	2,356	2,394		10,771
Progress towards forecast	13%		60%	23%	0%	0%		31%
Jobs								
Jobs Created	480	115	91	585	0	0		791
Apprenticeships Created*	119	372	393	583	0	0		1,348
Jobs including Apprenticeships	679	487	484	1,168	0	0		2,139
Forecast for year	3,737		1,531	3,737	4,833	6,503		17,191
Progress towards forecast	16%		30%	31%	0%	0%		12%
* Apprenticeships included within Jobs totals prior to 2017								
Skills								
Area of new or improved floorspace (m2)	885	4,212	11,265	1,795	0	0		17,272
Forecast for year	0		13,155	0	0	4,500		21,867
Progress towards forecast	-		86%	-	-	-		38%
Number of New Learners Assisted	282	4,663	3,550	2,474	0	0		10,887
Forecast for year	8,026		4,971	6,025	5,993	5,872		27,624
Progress towards forecast	4%		71%	41%	0%	0%		38%
Transport								
Length of Road Resurfaced	0.0	0.0	9.9	0.0	0.0	0.0		9.9
Length of Newly Built Road	0.0	0.0	2.1	0.0	0.0	0.0		2.1
Length New Cycle Ways	2.8	0.0	2.8	2.6	0.0	0.0		6.6

Project RAG Ratings					
Project Name	Previous Quarter Q3_1819	This Quarter Q4_1819	Project Name	Previous Quarter Q3_1819	This Quarter Q4_1819
Yeovil Western Corridor Capacity Upgrade	G	G	Electronics & photonics Innovation centre	G	G
Torquay Western Corridor Capacity Improvement Road, Exeter	G	G	Marine Industries Production Campus at Unlocking Growth Fund	G	G
Torquay Transport Scheme	G	G	Exeter Science Park MET Office Environment	A	A
A36 Widening, Newton Abbot	G	G	Exeter Science Park Grow On Buildings	G	G
Torquay Gateway	G	G	J25, M5 at Henlade	G	G
Inter North Roundabout Bridgwater	G	G	Tiverton Eastern Urban Extension	G	G
A35 Portmore to Landkey Stage 1	G	G	Somerset Energy Innovation Centre Phase 1	G	G
Devon Hospital Interchange	G	G	Connecting Devon and Somerset Phase 1	G	G
Taunton Rail Station Enhancements	G	G	Constructing Futures	G	G
Torquay town centre access	G	G	South Devon College Hi Tech centre	G	G
Roundswell Phase 2, Barnstaple	G	G	IAero (South) Centre	G	G
A38 Deep Lane Junction, Sherford	G	G	Blue Screen ICT Training Project	G	G
A379 Newcourt Junction, Exeter	G	G	Houghton Barton Package	G	G
A39 Heywood Road Junction (Blidford)	G	G	Taunton Toneway Improvements	G	G
Marsh Barton Railway Station (Exeter)	R	R	Hunts Hill Energy Park	G	G
Plymouth Northern Corridor traffic signals	G	G	Plymouth Central Railway Station	G	G
Bridgwater College Hinkley Skills Capital	G	G	North Devon Innovation Centre, Roundwood	G	G
Plymouth College Stem Centre	G	G	-	-	-
Hinkley HPTA package	G	G	-	-	-
SW/Hinkley Low Carbon Innovation and Exeter Science Park Environmental Fund	G	G	-	-	-
Somerset College Centre for Engineering	G	G	-	-	-
Plymouth Science Park (Phase 5)	G	G	-	-	-
Flood Action Plan	G	G	-	-	-
Growth Hub	G	G	-	-	-
Plymouth Eastern Corridor cycle network	G	G	-	-	-
Plymouth Charles Cross and Exeter Road	G	G	-	-	-
Pervasive 4G mobile Infrastructure	R	R	-	-	-
Broadband Phase 2	G	G	-	-	-

Financial Progress							
LGF Allocation	2016-18	2016-17	17-18	18-19	19-20	20-21	Total
	£43,410,000.00	£66,700,418.00	£38,132,150.88	£9,866,996.86	£13,146,491.67	£38,468,628.62	£197,833,416.00
LGF Outturn							
Actual	£ 4,897,182		£ 50,645,078	£ 30,436,450	£ 28,026,538	£ -	£ 109,106,098
Forecast	£ 40,883,628		£ 30,436,450	£ 40,883,628	£ 49,499,883	£ 24,402,465	£ 196,867,404
Progress towards forecast	12%		100%	69%	0%	0%	68%
LGF Expenditure							
Actual	£ 4,897,182		£ 50,645,078	£ 30,436,450	£ 28,026,538	£ -	£ 109,106,098
Forecast	£ 40,883,628		£ 30,436,450	£ 40,883,628	£ 49,499,883	£ 24,402,465	£ 196,867,404
Progress towards forecast	12%		100%	69%	0%	0%	68%
Non-LGF Expenditure							
Actual	£ 8,704,889		£ 60,130,557	£ 39,507,217	£ 24,164,138	£ -	£ 123,801,912
Forecast	£ 40,880,913		£ 40,930,913	£ 39,470,957	£ 34,335,629	£ 16,314,707	£ 183,182,784
Progress towards forecast	21%		97%	61%	0%	0%	84%
Total LGF + non-LGF Expenditure							
Actual	£ 13,701,861		£ 110,775,635	£ 69,943,667	£ 52,190,676	£ -	£ 232,908,978
Forecast	£ 81,814,442		£ 71,367,363	£ 80,354,486	£ 83,835,512	£ 42,717,172	£ 389,060,188
Progress towards forecast	17%		+98%	+65%	+0%	+0%	80%

Contractual Commitments (manual entry)							
	16-17	17-18	18-19	19-20	20-21	Total	
Forecast	£ 122,764,598	£ 22,922,127	£ 11,540,000	£ 38,640,680	£ -	£ 195,867,404	
Actual	£ 122,764,598	£ 22,922,127	£ 5,500,000	£ -	£ -	£ 151,186,724	
Variance	+0.00%	+0.00%	-52.34%	-100.00%	-	-22.81%	

Commentary

This forecast shows an under allocation against projects, mainly due to the GD1 allocation towards programme management costs being outside this profile. Funding agreements require annual monitoring (as this was the original forecast requirement) so we will not have significant increases in outputs each quarter - rather this will be provided on a rolling basis as outputs come forward. In terms of RAG status, 2 projects remain red (Marsh Barton Station) and 4G Mobile- SIP decided not to fund this individually on the basis that the market has moved on and 4G coverage is now better placed as part of a wider digital strategy being developed for GD3 funding, subject to LEP Board approval of this approach.

Approved by LEP Board: Chief Executive Signature *David Ralph*

Name: David Ralph
Date: 25-Apr-19

Approved by Somerset County Council, S151 Officer: Signature *Sheila Collins*

Name: Sheila Collins
Date: 29-Apr-19

Scheme	Funding Prog	Grant Funding (£m)	Match Funding (£m)	Total Funding (£m)	Total Spend (£m)	Start Date	End Date	Status	Spend vs Profile	FA Signed?	Final Claim Paid?	RAG Status	Prev RAG Status
Taunton Rail Station Enhancements	LGF (GD1)	4.60	4.37	8.97	0.05	01/04/2016	01/03/2020	- Business Case Approved February 2015. - Rail company MOU signed, work required to clarify final terms on match funding towards full FA. Final approval at Dec 2018 LTB.	Negotiations with GWR moving forward. Profile has moved into 18/19 and 19/20 at Nov 2017 review of profile. Planning consent expected mid 2018, construction start Autumn 18, Expected completion by March 2021.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Torquay Town Center Access	LGF (GD1)	0.40	0.13	0.52	0.66	01/12/2015	01/03/2018	Business Case Approved April 2015. Incs extra £104k. Complete	Procured through term contract. Completion date March 2018. Construction complete - junction in testing.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Roundswell Phase 2 (Barnstaple)	LGF (GD1)	1.71	0.79	2.49	2.31	01/03/2016	01/07/2017	Programme Entry Approved Dec 2015. Final approval Dec 2016. Complete. Underspend identified to move to Marsh Barton station.	Construction started Jan 2017. Completed 17/18 -in monitoring phase.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
A38 Deep Lane Junction (Sherford)	LGF (GD1)	1.98	1.10	3.08	3.51	01/06/2016	01/07/2017	Business Case approved April 2015. Complete.	Started on site Spring 2016. Construction complete - in monitoring phase.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
A379 Newcourt Junction (Exeter)	LGF (GD1)	0.83	1.49	2.32	2.67	01/08/2016	01/01/2017	Business case approval Feb 2016. Complete.	Complete, road open. Expected small underspend transferred to Marsh Barton Station. In monitoring phase	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
A39 Heywood Road Junction (Bideford)	LGF (GD1)	0.07	0.45	0.52	0.00	01/03/2019	01/12/2020	PE Business Case approved December 2014. LGF grant reduced July 2015 to £70k, replaced by s106. Phase 1 of scheme approval at June 2018 LTB. Remainder of scheme likely constructed in 2020, link to NDLR. Final approval of Phase 1 LTB March 2019	Updated project profile required to reflect phased approach. Advanced utilities work completed and paid in 17/18.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Marsh Barton Railway Station (Exeter)	LGF (GD1)	3.52	6.90	10.42	6.96	01/02/2016	01/03/2019	- Programme Entry approved July 2014. Increase in funding and final approval July 2015. - Key risks. Delay in delivery completion due to NR processes. NSF bid to top up funding unsuccessful. DfT meeting to review on 5th october. DCC pulling funding package together. Approval to move funding of £844k from other GD1 DCC completed transport schemes. Update paper presented at Nov 2018 SIP. LTB approval to updated scheme March 2019. Final SIP decision to go ahead April 2019.	Extension of design period due to Network Rail. Further issues re construction timescales and cost escalation. Design underway, claims paid. Following April SIP approval project to progress from May 2019.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Plymouth Northern Corridor Traffic Signals	LGF (GD1)	2.10	1.31	3.41	1.73	01/02/2016	01/03/2020	Programme Entry approved December 2014 for Phase 1. Final business case approved for Phase 1. Phase 2 during 18/19.	Procured through term contract. Phase 1 complete. Phase 2 construction starting July 2018. Expected completion of LGF spend by end 2019	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Plymouth Eastern Corridor Cycle Network	LGF (GD1)	3.42	1.49	4.91	1.93	01/11/2016	01/03/2021	Programme Entry approved Dec 2015. 16/17 start. Final approval for Phase 1,2 and 3.	Phases 1 and 2 complete, phase 3 in progress.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

Scheme	Funding Prog	Grant Funding (£m)	Match Funding (£m)	Total Funding (£m)	Total Spend (£m)	Start Date	End Date	Status	Spend vs Profile	FA Signed?	Final Claim Paid?	RAG Status	Prev RAG Status
Plymouth Charles Cross and Exeter Road	LGF (GD1)	2.10	2.72	4.82	1.02	01/02/2018	01/07/2020	Programme entry business case approved at Sept 2017 LTB. Update at June 2018 LTB reflecting delay in final approval to Autumn 2018, when contract will be awarded.	PCC reprofiled. Additional private s106 match and reduced LA contribution with overall costs increasing from original bid. Slippage by approx 1 year - construction expected to begin Feb 2018 running to June 2019 is now expecting to start on site Jan 2019. End date has been moved by 1 year to reflect this expectation.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Bridgwater College (Hinkley Skills Capital)	LGF (GD1)	5.15	12.63	17.78	24.67	01/05/2015	01/03/2018	Business case approval March 2015. Variation email request to SIP for approval June 2017. Complete	Project in delivery. Completion of GD expenditure 16/17. Complete - into monitoring stage.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
City College Plymouth Stem Centre	LGF (GD1)	5.43	7.37	12.80	13.75	01/05/2015	01/08/2017	- Business case approval March 2015. Project in progress. - Key risks - planning and design to meet budget; sale of surplus site	Project complete and all LGF spent. In monitoring phase.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Hinkley HPTA Package - Exeter College	LGF (GD1)	2.00	1.00	3.00	2.00	01/08/2015	01/03/2017	July 2015 SIP approval of funding for: Yeovil, South Devon and Cornwall (Bicton.) Conditional approval for Bridgwater College(NfCN) and Exeter College.	Site visit carried out and last claim paid - project complete.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Hinkley HPTA Package - NfN	LGF (GD1)	3.00	12.00	15.00	2.78	01/08/2015	01/03/2017	July 2015 SIP approval of funding for: Yeovil, South Devon and Cornwall (Bicton.) Conditional approval for Bridgwater College(NfCN) and Exeter College. NfCN variation to extend longstop completion date agreed. Complete 18/19.	In construction - match funding spend requirements from government re profile.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Hinkley HPTA Package - Petroc	LGF (GD1)	0.36	0.36	0.72	0.36	01/08/2015	01/03/2017	Dec 2015 SIP approval for Petroc.	Site visit carried out and last claim paid - project complete.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Hinkley HPTA Package - South Devon	LGF (GD1)	0.21	0.16	0.38	0.21	01/08/2015	01/03/2017	July 2015 SIP approval of funding for: Yeovil, South Devon and Cornwall (Bicton.) Conditional approval for Bridgwater College(NfCN) and Exeter College. Dec 2015 SIP approval for Petroc. Project variations approved at Dec SIP. Yeovil College variation approved June 16 SIP.	Site visit carried out and Bicton last claim paid - project complete. Other projects in progress. No significant change to overall profile.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Hinkley HPTA Package - Cornwall College	LGF (GD1)	0.30	0.30	0.60	0.30	01/08/2015	01/03/2017	July 2015 SIP approval of funding for: Yeovil, South Devon and Cornwall (Bicton.) Conditional approval for Bridgwater College(NfCN) and Exeter College. Dec 2015 SIP approval for Petroc. Project variations approved at Dec SIP. Yeovil College variation approved June 16 SIP.	Site visit carried out and Bicton last claim paid - project complete. Other projects in progress. No significant change to overall profile.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Hinkley HPTA Package - Yeovil College	LGF (GD1)	0.64	0.21	0.85	0.64	01/08/2015	01/03/2017	July 2015 SIP approval of funding for: Yeovil, South Devon and Cornwall (Bicton.) Project variations approved at Dec SIP. Yeovil College variation approved June 16 SIP. Outputs variation approved at December 2017 SIP meeting.	Site visit carried out and last claim paid - project complete - in monitoring phase.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

Scheme	Funding Prog	Grant Funding (£m)	Match Funding (£m)	Total Funding (£m)	Total Spend (£m)	Start Date	End Date	Status	Spend vs Profile	FA Signed?	Final Claim Paid?	RAG Status	Prev RAG Status
Somerset Energy Innovation Centre - Phase 1b	LGF (GD2)	6.50	7.02	13.52	1.34	01/09/2015	01/03/2018	Phase 1b business case approval May 2015.	Phase 1b complete.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Somerset Energy Innovation Centre - Phase 2	LGF (GD2)	0.00	0.00	0.00	3.88	01/09/2015	01/03/2019	Phase 2 business case approval Aug 2015. LEP Board agreement that Phase 2 funding to replace ERDF match from the GD2 pot, originally for Phase 3. Match funding agreed.	Phase 2 ERDF match agreed and underwritten by SCC. Funding agreement signed and construction started onsite - due to complete 18/19.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Exeter Science Park Environmental Futures Campus	LGF (GD1)	2.50	0.00	2.50	2.50	01/05/2015	30/06/2016	Business case approval March 2015. Minor budget variations approved Oct 2015. Project complete.	Complete - into monitoring phase.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Somerset College (Centre for Engineering)	LGF (GD1)	0.60	1.19	1.79	2.13	01/07/2015	01/03/2016	Business case approval March 2015.	Project complete and all LGF spend. In monitoring phase.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Plymouth Science Park (Phase 5)	LGF (GD1)	3.00	3.96	6.96	7.02	01/09/2015	01/03/2018	Business case approval March 2015.	All LGF funding spent and complete. Small match spend in 17/18.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Pervasive 4G Mobile Infrastructure	LGF (GD1)		0.50		0.00	01/09/2017	01/03/2019	Business case approval at April SIP with subsequent business case review. Key risk - procurement plan to be established with telecoms suppliers. Soft market testing meetings and state aid investigations carried out. Updated business case presented at August 2017 SIP. Following market evaluation further updated business case presented at November 2018 SIP. Due to market changes, digital strategy decision deferred to Jan 2019 LEP Board meeting.	Awaiting LEP Board decision on whether to progress or move into digital strategy activity.	<input type="checkbox"/>	<input type="checkbox"/>		
Flood Action Plan (Somerset Levels)	LGF (GD1)	13.05	30.89	43.94	18.76	27/07/2015	01/03/2021	Key risk - package of projects with varying deliverability. Business case approval July 2015. SIP variation approval July 2016. In delivery with variation paper due Jan 2019 SIP.	In delivery.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Growth Hub	LGF (GD1 Revenue)	1.06	0.00	1.06	0.51	01/02/2018	01/03/2020	Also funded separately by BIS. Successful procurement, contractor starting Feb 2016. Link to ESIF call. Includes additional £656k from BIS over 2 years. The start and finish dates are LGF specific - the project has been running since 2015/16 using BEIS funding.	In delivery. On track. Further BEIS funding available for 18/19-19/20.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Broadband Phase 2	LGF (GD2)	6.00	14.52	20.52	5.21	01/04/2017	01/03/2019	Business case approved at Nov 16 SIP. Key risks on procurement delays to original profile but mobilisation in progress. Proposal to reprofile discussed at Jan 2019 SIP meeting and agreed, subject to Board approval if needed. May need to move to Amber (Feb 19)	Procurement complete for all 6 lots. Funding agreement signed and mobilisation underway. Delivery issues on the ground are causing a significant delay in expenditure profile.	<input type="checkbox"/>	<input type="checkbox"/>		
Electronics & photonics innovation centre (EPIC)	LGF (GD2)	3.00	5.00	8.00	0.00	01/03/2017	01/07/2018	Business case approval August 16 SIP meeting.	Funding agreement delays due to match funding and other conditions. Near signing at April 2018.	<input type="checkbox"/>	<input type="checkbox"/>		

Scheme	Funding Prog	Grant Funding (£m)	Match Funding (£m)	Total Funding (£m)	Total Spend (£m)	Start Date	End Date	Status	Spend vs Profile	FA Signed?	Final Claim Paid?	RAG Status	Prev RAG Status
Oceansgate (formerly South Yard)	LGF (GD2)	1.50	3.90	5.40	6.28	01/01/2017	01/01/2018	Business case approved at Nov 16 SIP. EOI submitted to SIP in March 2016.	On track for GD2 spend timescales. GPF match approved. Funding agreement in development. Project on site and Phase 1 construction complete.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Unlocking Growth Fund - Yeovil Innovation Centre Phase 2	LGF (GD2)	0.44	1.29	1.73	0.60			Three full business cases approved at June 2016 SIP - Highbridge, Wiveliscombe, Yeovil. YIC project variation agreed by SIP email during September 2017. Construction complete.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Unlocking Growth Fund - Wiveliscombe	LGF (GD2)	0.51	1.29	1.80	0.06			Three full business cases approved at June 2016 SIP - Highbridge, Wiveliscombe, Yeovil.	In construction.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Unlocking Growth Fund - South Molton Pathfields	LGF (GD2)	0.22	1.52	1.74	0.00			Business Case approved at February 2018 SIP meeting		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Unlocking Growth Fund - Highbridge	LGF (GD2)	0.23	0.23	0.47	0.25			Subgroup project prioritisation ongoing until full pot is allocated. Three full business cases approved at June 2016 SIP - Highbridge, Wiveliscombe, Yeovil. Claylands business case approved at August 2016 SIP. May 2017 SIP approved Wells Technology Enterprise Centre. Also Devonport scheme, subject to review at September 2017 SIP.	Funding agreements for the projects are in development. FBGC project approved at November SIP has been removed due to not being able to meet funding conditions. Further business cases due for approval at September 2017 SIP meetings.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Unlocking Growth Fund - Devonport	LGF (GD2)	0.50	0.91	1.41	0.00			Business case approval conditions reviewed at September 2017 SIP and project approved. Funding agreement in development		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Unlocking Growth Fund - Claylands	LGF (GD2)	5.00	5.00	10.00	0.00			Claylands business case approved at August 2016 SIP.	Funding agreements for the projects are in development. FBGC project approved at November SIP has been removed due to not being able to meet funding conditions. Further business cases due for approval at September 2017 SIP meetings.	<input type="checkbox"/>	<input type="checkbox"/>		
Unlocking Growth Fund - Caddisdown	LGF (GD2)	0.18	0.50	0.68	0.00			updated busienss case reviewed and funding approved at the September 2017 SIP meeting. Funding agreement in development.		<input type="checkbox"/>	<input type="checkbox"/>		
Unlocking Growth Fund - Wells Enterprise Centre	LGF (GD2)	0.77	1.51	2.28	0.14			Business case approval conditions reviewed by September 2017 SIP and project approved. Funding agreement signed, in delivery		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Exeter Science Park (Open Innovation Building)	LGF (GD2)	5.50	26.20	31.70	0.00	01/10/2018	01/03/2020	Budget move - 0.5m request to ESP Centre project approved by May Board. Business case developed and submitted for appraisal by Business LG during September 2017. Due for approval at the November SIP Meeting. Business case approved at July 2018 SIP. Status changed to Amber following this meeting, due to funding gap completion deadline.	Estimated start and finish dates	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

Scheme	Funding Prog	Grant Funding (£m)	Match Funding (£m)	Total Funding (£m)	Total Spend (£m)	Start Date	End Date	Status	Spend vs Profile	FA Signed?	Final Claim Paid?	RAG Status	Prev RAG Status
Exeter Science Park (Grow On Buildings)	LGF (GD2)	4.50	1.63	6.13	5.64	01/12/2017	01/03/2019	Business case approval at June SIP. Planning permission Sept 16. Variation request authorised by SIP by email March 2017. In construction - Practical completion end Nov 2018. Tenants have moved in early 2019.	Match funding issues have caused delays of approx 2-3 months but now resolved and funding agreement variation signed.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
J25, M5 at Henlade	LGF (GD2)	12.90	3.00	15.90	2.10	01/01/2017	01/03/2020	Programme Entry business case approved at July 2016 LTB. Final business case expected Jun 2018. Update provided to SIP and LTB in June 2018 with business case now expected in the Autumn following completion of tender process. Will then finalise LGF contribution but currently SIP has set at a reduced figure of £11.65m for the time being with a further potential reduction to be considered. Final approval at December 2018 LTB. Request for move of £0.5m funding from Yeovil Western Corridor to be considered by SIP and Board in Jan 2019 due to increased costs. Agreed subject to clarification at January 2019 SIP meeting.	Pre-planning studies underway. Tendering for design and build Spring 2017. Slippage - construction start now later in 2018. Estimated finish date. F	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Taunton Eastern Urban Extension	LGF (GD2)	1.50	4.20	5.70	4.26	01/09/2017	01/03/2019	Business case approval for £1.5m in principle at June 2017 LTB subject to funding being available for phase 1. Approved for funding at July 2017 LEP Board Meeting (on basis if GD does not become available LEP can utilise GPF as a last resort). Complete summer 2018.	In monitoring phase.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Somerset Innovation Centre (Phase 3)	LGF (GD3)	2.75	2.53	5.28	0.00	01/03/2018	01/03/2020	Pre-business case approval. Slippage of 1 year on start and end date. Progress with match funding and planning permission. Significant delays with production of business case against planned dates. SIP Approval of business case April 2019.		<input type="checkbox"/>	<input type="checkbox"/>		
Connecting Devon and Somerset Phase 3 and 4G Mobile Package	LGF (GD3)	9.57	2.00	11.57	0.00	01/03/2018	01/03/2020	Business case to come forward subject to development and review of digital strategy for CDS.		<input type="checkbox"/>	<input type="checkbox"/>		
Youth Construction Skills Project 'Devon Communities Together'	LGF (GD3)	0.57	2.94	3.51	1.05	01/01/2018	01/03/2019	Business case developed and in appraisal. Partial approval at October 2017 SIP with some outstanding issues to resolve. Project meeting held and paper to January 2018 SIP. Final approval including of outstanding conditions obtained following January SIP (on 22nd January 2018) by email.	Updated start and end dates to reflect delays in business case approval.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
South Devon College Hi Tech Centre	LGF (GD3)	8.13	8.50	16.63	9.93	01/03/2017	01/07/2019	Business case approval at July 2017 SIP, subject to appraisal conditions.		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
iAero (South) Centre	LGF (GD3)	3.83	3.80	7.63	0.00	01/03/2017	01/03/2019	Business case approval November 2018 SIP meeting (subject to conditions)		<input type="checkbox"/>	<input type="checkbox"/>		

Scheme	Funding Prog	Grant Funding (£m)	Match Funding (£m)	Total Funding (£m)	Total Spend (£m)	Start Date	End Date	Status	Spend vs Profile	FA Signed?	Final Claim Paid?	RAG Status	Prev RAG Status
Next generation ICT training project "Blue Screen IT - PROJECT X"	LGF (GD3)	0.69	0.73	1.42	0.00	01/03/2017	01/03/2019	Business case due for appraisal Dec 2018, was aiming at Jan 2019 SIP meeting for approval. Have been some delays and now aiming at May 2019 SIP approval		<input type="checkbox"/>	<input type="checkbox"/>		
Houghton Barton Package	LGF (GD3)	2.87	4.50	7.37	0.00	01/04/2018	01/03/2021	PE business case approval at December 2018 LTB. Link Road and Cycle route - cycle route will be constructed first.	Expected LGF spend 19/20-20/21	<input type="checkbox"/>	<input type="checkbox"/>		
Taunton Toneway Corridor Capacity Improvements (Phase 1 Creech Castle)	LGF (GD3)	6.41	3.08	9.49	0.00	01/04/2018	01/03/2021	Update presentation at June 2018 LTB. Programme entry approval at October 2018 LTB meeting.	Expecting to go out to tender in April 2019 and start construction in November 2019.	<input type="checkbox"/>	<input type="checkbox"/>		
Huntspill Energy Park	LGF (GD3)	3.94	4.12	8.06	0.00	01/04/2018	01/03/2019	Business case programme entry approval at March 2018 LTB. SIP Jan 2019 confirmed a name change to This is Gravity Limited for the site owner and developer.		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Plymouth Central Railway Station	LGF (GD3)	4.79	50.82	55.60	0.00	01/03/2017	01/03/2021	Programme entry approval at December 2017 LTB. Update at June 2018 SIP to reflect end date change to Spring 2021.	Slippage of end date by 1 year from March 2020 to 2021.	<input type="checkbox"/>	<input type="checkbox"/>		
North Devon Innovation Centre, Roodswell	LGF (GD3)	0.00	0.00	0.00	0.00	01/12/2018	01/04/2019	Business case approval at September 27th 2018 SIP meeting. Conditions to be resolved before FA is signed including planning permission and ERDF funding confirmation. Planning permission granted Nov 2018.		<input type="checkbox"/>	<input type="checkbox"/>		
Hinkley Related Revenue Projects	LGF (GD2 Revenue)	0.65	0.00	0.65	0.00			Revenue funds freed up from Growth Hub reallocated to two HPTA/Hinkley Supply Chain projects. Approved at May board for £0.15m and £0.5m to HPTA pump priming and Hinkley Supply Chain support projects business cases approved at SIP for both projects.	Projects into delivery phases, with conditions to meet from SIP business case approvals to be met as part of funding agreement development. Variation request to October 2017 SIP for additional match funding from Welsh Assembly for approval.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Concise Homes, Bridgwater	GPF (Loan)	1.44	15.00	16.43	1.44	28/02/2013	31/07/2013	All claims and repayments completed.	Closed. Into annual monitoring period.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Millfields	GPF (Loan)	2.10	3.02	5.12	2.10	28/02/2013	30/11/2014	Building open. Repayments have begun.	Completed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Science Park, Exeter	GPF (Loan)	4.50	0.00	4.50	4.50			Building open and operating. December 2017 request for variation of Loan to a grant received. Paper at January SIP. Agreed to have a follow up meeting with ESPL to discuss alternative options as a grant is not acceptable to the LEP.	Loan complete.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Ocean Studios	GPF (Loan)	0.80	0.00	0.80	0.80			Building open and fully occupied. SIP agreed further repayment holiday. PCC working on future management of project with legal completion end March 17.	PCC loan repayment under guarantee Dec 17.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

Page 27

Agenda Item 4

HotSW LEP - Programme Summary

Date: 26/04/2019

Scheme	Funding Prog	Grant Funding (£m)	Match Funding (£m)	Total Funding (£m)	Total Spend (£m)	Start Date	End Date	Status	Spend vs Profile	FA Signed?	Final Claim Paid?	RAG Status	Prev RAG Status
DC Homes	GPF (Loan)	4.50	0.00	4.50	1.71			Variation to funding agreement complete. Turf cutting 30th Sep 2015. Asbestos and archeology have caused significant delay but construction is now underway. Sept 2017 approval to remove the land for substation from the LEP agreement. Project progress meeting in November 2017 - due for May 2018 opening. Collateral Warranties received. Near completion at July 2018.	16 claims paid. Costs have increased and requested additional loan to increase number of rooms. Meeting took place to inform project that this is not possible and talk about alternatives. Now investigating with other organisations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
DCUK Extension (CDS)	GPF (Grant)	4.20	0.00	4.20	0.00			Business case approval at Nov SIP. Expected to complete procurement and award contract by end of 2016.	Funding agreement signed Dec 16. Project mobilisation underway.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Stansgate	GPF (Loan)	5.00	0.00	5.00	0.00			Business case approval at Nov 16 SIP. EOI discussed at Oct 15 SIP. Heads of terms for loan approved at July 16 SIP.	Funding agreement in drafting due for signing by end of July 2017 but delayed - spending GD funds first and issue around status of MOD and relationship to funding agreement.	<input type="checkbox"/>	<input type="checkbox"/>		
EAN (Enterprise Advisors Network - Revenue)	CEC Revenue Grant	0.36	0.00	0.36	0.18			Funding from Careers Enterprise Company. Project in progress.	Delivery underway for 17/18	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

- Red Highly Problematic - requires urgent and decisive action, multiple key risks.
- Amber Issues - some aspects require substantial attention, some key risks.
- Green Good - all aspects proceeding well, no key risks requiring mitigation.

Page 28

HOTSW Investment Programmes

Highlight Report No 48 – SIP 2nd May 2019

Reporting period

April 2019

Summary Comments

At the April SIP meeting the SEIC Phase 3 business cases was approved, along with a variation to the Marsh Barton Station scheme, meaning this is now progressing and no longer has Red RAG status.

The dashboard outputs and spend report has been completed and submitted.

Following a discussion at the April SIP meeting regarding the Annual Performance Review and the need to agree an expenditure forecast and acceptable variation to this for government approval, a paper has been produced for the May SIP meeting outlining an approach.

Projects who significantly underspend will be identified and SIP to agree a way of responding to the lack of delivery against their own forecast profiles. Individual meetings suggested for a key projects to understand issues and potentially where the LEP could assist to unblock.

The draft outputs programme summary presented to the April SIP has been further developed for review at the May SIP meeting. 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.

9 GD3 business cases are now approved - 5 GD3 business cases approved by SIP - South Devon College, North Devon Enterprise Centre, iAero, SEIC Phase 3 and Constructing Futures, plus 4 GD3 transport projects with Programme Entry approval – Huntspill Energy Park, Toneway, Houghton Barton and Plymouth Central Station. 2 GD3 business cases are yet to be approved.

3 GD3 funding agreements are signed, with 8 yet to be completed.

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

Agenda Item 4

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 near signing –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 due for appraisal end November 2018 – expected to come to May SIP meeting
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.
North Devon Innovation Centre	Business case approval September 27 th SIP. Funding agreement near signing.

Delivery

26 projects have now 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.

A number of variation requests have been notified or been submitted for theme lead consideration and review by future SIPs as required. This includes Wells and Wiveliscombe Enterprise Centres, CDS and Flood Action Plan. A meeting was held in April with the project manager to discuss Flood Action Plan in more detail.

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 3 GD3 projects.	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	47 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 and in sign off ready 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	Complete reporting cycle for Q4 dashboard report to MHCLG.	April 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

Agenda Item 4

Budget summary

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

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 – GPF agreement being finalised for loan issue subject to SIP chairman agreement of minor variation

Other GPF projects are in repayment or complete.

Other projects

Careers Hub

A bid for an expansion of the current Hub has been submitted to the Careers & Enterprise Company (CEC) which, if successful, will increase the number of Hub schools from 40 to 60 thus creating much needed capacity within the Enterprise Adviser Network (EAN) – we are expecting to know the outcome of our bid in the near future, subject to purdah.

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.

Agenda Item 4

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 HoSW 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.

SIP Paper	Decision Required	Decision Agreed
Marsh Barton Variation	Approval of changes to Marsh Barton Station project	Variations approved
SEIC Phase 3 Business Case	Approval of revised business case	Revised business case approved
Annual Performance Review Report and Actions	Agree the response to the APR	Response to be sent asking for further justification for the APR delivery status of needing improvement.
CDS Update	Agree a proposed way forward	Review at June SIP

3. Other operational reports

New Nuclear / iAero / Aviation Cluster Development - Update (May 2019)

1. **Nuclear Sector Deal (NSD)** The business plan was submitted to BEIS requesting the drawdown of the £10M identified in the NSD for supply chain support. Challenges have been identified by BEIS in securing a collaborative approach to this via the lead, Nuclear Advanced Manufacturing Research Centre. If a combined solution cannot be found, then we are working towards a regional pan UK LEP Nuclear Places Programme that could include workforce development as part of the offer.
2. **Nuclear South West** – Planning is well underway for the 4th Nuclear SW Conference and Showcase event which will be held in **Somerset** on **3rd October 2019**.
3. **Nuclear Inward Investment** – This summer (June) sees visits to Somerset from a US and Chinese delegation as well as DIT Nuclear overseas posts. We are working with stakeholders to ensure that the whole range of nuclear expertise and assets are showcased.
4. **Skills for Nuclear** – As reported last time we are recruiting a Skills for Nuclear Co-ordinator to support the delivery of critical skills gaps for Hinkley, as well as the wider strategic positioning in respect of national skills strategy, and transferability of skills across sectors.
Interviews have been held, and we hope to appoint shortly.
5. **Nuclear Innovation** – Following the unsuccessful Strength in Places Fund bid submitted by the University of Bristol working with NSW, the bid-writing Team have convened to review the feedback. The project scored an average of 76%, so certainly merits resubmission.
6. **iAero - Inward Investment** the West of England Combined Authority are leading on the development of the SW Aerospace Stand at the upcoming Paris Air show (June), supported by us and some of the other SW LEPs.
7. **Aviation / Exeter Airport / Flybe**
Discussions continue with key stakeholders to monitor the on-going situation.

Corinne Matthews
Nuclear / Aerospace Sector Lead
May 2019

B City Deal

Oceangate Enterprise Zone

We have now secured all funding for Phase 2, subject to Plymouth City Council agreeing a Funding Agreement with MHCLG to confirm £2.2m of ERDF. It is anticipated that construction will commence in May 2019 with completion due in the

Agenda Item 4

summer of 2020. Phase 2 will see the construction of 1534msq of light industrial and 1900sqm of office space with employment for up to 155 people.

Marine Business Technology Centre

The Marine Business Technology Centre (MBTC) is now fully operational following the launch of the Centre on 31st of January. This included the launch of Plymouth Smart Sound, an instrumented range located in and around Plymouth Sound. A number of technology priorities were approved at the launch including; Marine Autonomy, Alternative Propulsion, Advanced Manufacturing/Materials, Environmental Monitoring/Modelling & Cyber/Big Data.

Patrick Hartop
Head of City Deal

C Invest in the Heart of the South West

There is no report at this time.

D South Coast Marine Cluster (SCMC)

LEP Report May 2019

South Coast Marine Cluster (SCMC)

Cluster partners have struggled to meet the £82,000 necessary to resource the SCMC Coordinator post. This is principally due to a lack of support from Solent LEP and the inability of Plymouth and Exeter University to maintain support for business facing activity from their Higher Education Investment Fund (HEIF). A solution is being sought to continue the Coordinator function.

The SCMC agreed its refreshed, 50% business board who met for the first time in May. The board were strongly in favour of continuing the cluster as a regional strategic partnership, to pursue shared opportunities for the region, working on cross LEP coordination but with less expectation around business facing outcomes.

Partners have sought numerous sources of support for the cluster secretariat and solution will be agreed before the end of May.

The Cluster have been advised by the Department for Transport that a formal Maritime Sector Deal is now thought unlikely, the only significant proposal to be taken forward currently is 'MarRI-UK', a nation-wide industry research and innovation programme. Other initiatives within the Sector Deal proposal could be delivered through the recent Maritime 2050 strategy route maps. The most likely areas for opportunity within the strategy for HOTSW are around marine autonomy, smart ports and the requirement to green the maritime the sector.

At this time the MarRI-UK programme presents a specific potential opportunity for the SW in terms of creating an innovation hub (likely to be in Plymouth or Southampton).

In addition, the continuing opportunity presented by Floating Offshore Wind.

The £33 million Strength in Places EOI was not successful in phase one but the partnership received positive and feedback and will discuss resubmitting in Spring.

Sheldon Ryan - South Coast Marine Cluster Coordinator

E Digital Skills Partnership Update

See page 37.

Charlotte Collyer – Digital Skills Partnership Manager

F – Transport Update

The Sub-national Transport Body, Peninsula Transport is preparing bids for improvements to the Major Road Network (the highest flow local authority A roads) and the emerging proposals have been presented to Place Leadership Group. The LEP has indicated its support and noted the potential benefit of cross-border co-operation with the adjoining sub national body, Western Gateway. A prioritised bid is to be submitted to the Department for Transport by Peninsula Transport in July.

A major review of the structure of the rail industry was initiated by the Secretary of State for Transport in Autumn 2018, headed by Keith Williams. The LEP has participated in this review, together with the Peninsula Rail Task Force, by submitting a comprehensive response. Our view is that the current industry structure is not fit for purpose, and that there would be merit in the creation of a body to give strategic oversight to the whole rail industry and provide a focus for stakeholder involvement. Our view is that the current franchise system needs reform.

The public inquiries into proposals for dualling two sections of the A303 are ongoing. The LEP has made a submission into the examination of the Amesbury to Berwick Down scheme (Stonehenge Tunnel), indicating strong support for the Highways England scheme and stressing the economic benefits of upgrading the whole A303/ A358 corridor. The other scheme currently being examined is the A303 Sparkford to Ilchester dualling.

Ian Harrison – HotSW LEP Transport Consultant

David Ralph

Chief Executive

Agenda Item 4

Heart of the South West Local Enterprise Partnership Delivery Plan 2019-20

1. Summary & Strategic Objectives



£35 billion economy – as big as Birmingham or Liverpool

Heart of the South West is a special place with enormous potential in its businesses, its people and its places. With an economy of £35 billion per year, 83,000 businesses and a 1.7 million population, Heart of the South West is the size of a major UK city and covers the local authority areas of Devon, Somerset, Plymouth and Torbay. This delivery plan outlines the work the LEP will undertake in 2019/20.

The Heart of the South West's Strategic Economic Plan (SEP) has guided LEP activity since 2014 with funding secured through a range of channels to achieve the SEP's ambitions. These include a series of Growth Deals and section 2 outlines progress and expectations from this. The LEP also works with Government to shape investment of £122 million of European Structural Funds in the area and oversees a range of other projects drawing from different funding streams – section 3 outlines more on this work. Finally, section 4 sets out other work the LEP is undertaking to grow the prosperity of our area.

The HotSW Economy

HotSW Economy		
	SEP Objective	Change 2014-2018
Employment	+50,000 jobs created by 2020	+47,000
Business start ups	By 2020, be one of the best places to start and grow a business	+5,920 enterprises: +9% vs 2014 UK +18% vs 2014
Skills	By 2020 <ul style="list-style-type: none"> 60% of adults qualified to Level 3+ 40% to Level 4+ 	58.8% at level 3+ (+3.5pts vs 2014) 36.2% at L4+ (+2.7pts vs 2014)

Broadband	By 2020 100% superfast broadband (>24Mps)	93.5% coverage (+20.2pts)
Housing	170,000 new homes by 2030	+26,010

Strong employment growth in the past 4 years means employment levels are amongst the highest in Europe so future growth must come from addressing the productivity challenges and opportunities in our area; creating higher value jobs and helping people make the transition to these and helping businesses to become more efficient. In turn this leads to rising prosperity levels for communities and people in the LEP area.

Business start up rates still lag behind the UK and there is more to be done to build on the progress in improving skills. Likewise, whilst broadband coverage has improved, some rural areas remain relatively isolated, mobile coverage must improve and work is underway to drive up utilisation of the existing facilities.

Good progress has been made but there is more to be done.

Addressing the Opportunities and Challenges

In 2018 the LEP and the Heart of the SW Joint Committee agreed an ambitious Productivity Strategy to double the size of the Heart of the SW economy by 2038 through raising productivity and ensuring prosperity for all. Stepping Up to the Challenge is available here <https://heartofswlep.co.uk/wp-content/uploads/2018/04/HeartoftheSouthWestProductivityStrategy.pdf>. The strategy focusses on the key foundations of productivity and the unique opportunities the area's economy presents.

Since the LEP and Joint Committee set out their productivity ambitions, Government has invited all LEPs to develop a Local Industrial Strategy for their area. The HotSW LIS will be drawn from the Productivity Strategy and will be one channel through which the LEP pursues the area's growth ambitions. More detail on progress in developing the LIS can be seen here (<https://heartofswlep.co.uk/about-the-lep/strategies-and-priorities/local-industrial-strategy/>) with a final Strategy targeted for summer 2019.

The LIS is jointly owned with Government and will highlight the key opportunities and propositions within Heart of the SW which deliver to Government priorities. It will also set out a series of indicators against which progress will be measured by an annual impact evaluation will determine the LEP's specific influence on broader economic changes within Heart of the South West.

The Productivity and Local Industrial Strategies will set the LEP's direction for the coming years; the full range of actions to deliver the 2038 ambition can be seen here (<https://heartofswlep.co.uk/wp-content/uploads/2019/05/HotSW-Partnership-Productivity-Strategy-Delivery-Plan-Apr19.pdf>)

The LEP's Approach

Partnership working is essential to achieve this ambition and is integral to everything the LEP does. The LEP is delighted to be engaged with the Joint Committee and in turn works very closely with local authority and other partners to develop and implement activity, drawing heavily on their expertise and capacity. This will continue.

Specifically in 2019-20, the LEP will focus on:

- i) Leading development of the Local Industrial Strategy

- ii) Strengthening the area's profile with Government, MPs and officials
- iii) Leading implementation of the productivity themes of Business Leadership & Ideas, Employment Skills & Learning
- iv) Working with partners to implement the productivity theme of Housing Connectivity & Infrastructure; the LEP will focus on:
 - Leading a delivery partnership for productivity growth across rural & coastal communities
 - Leading strategic delivery of Enterprise Zones
 - Lead strategic delivery of the area's energy strategy which underpins growth ambitions
 - Leading strategic oversight of superfast and 4G/5G broadband infrastructure
 - Working with partners to address strategic transport challenges
 - Supporting partners in achieving the area's housing ambition
 - Supporting partners in addressing local transport challenges
- v) Leading delivery of the area's Key Opportunities (marine, nuclear etc)
- vi) Providing a range of intelligence and research to support the LEP and partners in preparing compelling business cases to address the area's productivity challenges
- vii) Convening partners to respond to economic shocks in the area
- viii) Being an exemplar amongst LEPs in its governance and transparency
- ix) Ensuring all LEP activity works towards improving social inclusion¹.

2019-20 Priorities

In summary, in 2019-20 the LEP will focus on:

Local Growth Fund

- Review spend against profile and aim for less than 10% variance, tightening processes if necessary by end May 2019.
- Review output progress against profile and tighten process if necessary, by end May 2019.
- Review pipeline of future projects, by end June 2019.
- Ensure adherence to Branding and Communications guidelines for all projects, by end June 2019.

European Funding

EU funds must be contracted by end December 2020 and the LEP will continue to work with Government to ensure the full HotSW allocation is invested in the area by this date, with particular focus on The European Social Fund.

The LEP will publish updated outputs information for contracted projects on its website by mid-2019.

Growth Hub

¹ "Social inclusion" is defined as 'Enabling as many people as possible to contribute and benefit from economic growth within the HotSW.' See <https://heartofswlep.co.uk/wp-content/uploads/2018/11/171106-HotSW-Inclusive-Growth-Framework-Final-Report.pdf>

The Growth Hub will refine its service with a stronger focus on scale-up businesses, complimenting a newly procured pilot scale-up service that will run over the same period and work with at least 55 “scaling businesses”. The support offered will also be re-packaged for sectors, business life-cycle, and with a focus on specific topics, such as Brexit.

Enterprise Zones

- Gravity: the site is a former munitions factory and remediation work is well under way with the LEP part funding the access road. The compulsory purchase order to secure the land is advanced and construction of the road will commence in 2019. Delivering this Growth Deal-funded project is a key priority to ensure the site is open for business in 2020.
- Exeter & East Devon: the LEP has invested significantly in Exeter Science Park and delivering the Local Growth Fund projects for developing additional grow on space for growing innovation based / R&D jobs will be a priority. Alongside this the LEP will be working with partners developing the Zone to deliver highway improvements, office space and simplified planning to support the delivery of further development.
- Oceansgate: delivering the existing Local Growth Fund investment in Oceansgate, start phase 2 construction May 2019 and continue work to unlock funding for Phase 3 development
- General: the LEP will seek to ensure the Enterprise Zones’ offer to businesses after the initial business rate reduction period remains compelling.

Skills Portfolio

- HotSW Careers Hub: ramping up of activity to meet 7-8 Gatsby Target within our 40 hub schools and seeking to ensure every mainstream secondary school is offered the chance to work with an Enterprise Advisor.
- Digital Skills Partnership: implement the Digital Skills Partnership action plan which matches existing digital opportunities with individuals/ organisations looking to develop their digital skills. This will include maximising digital upskilling through successful bids into funding streams and championing and highlighting the regions digital skills news, case studies and exemplars. The plan will be published on the LEP’s website in April
- Careers Learning Pilot: completion of the Pilot programme in July 2019, with feed in to relevant evaluation and policy learning with Department for Education colleagues.
- Institute of Technology: ongoing work with Consortium partners around successful bids, seeking to support the delivery of related capital projects and new provision across the area. Exploration of additional opportunities to add to the IoTs offer from any emerging funding.

Strategic Activity

➤ Cross-LEP Area Working

- Developing the Great South West propositions, working with LEPs from Cornwall & Isles of Scilly and Dorset to raise the profile of the area with decision makers in Government and secure recognition of GSW
- The LEP will work with LEPs from West of England, GFirst, New Anglia and the devolved Welsh administration to

- Realise the supply chain opportunity, leveraging the Nuclear Sector Deal
- Enable skills development across HotSW and other new nuclear locations
- Maximise the growth potential from synergies between the civil and defence nuclear sectors with a specific focus on decommissioning
- Invest to support raising of innovation capability amongst SMEs in the rotorcraft supply chain
- Maximise the growth potential from the South Coast Marine Cluster, using the cluster's unique strengths in marine autonomy, offshore renewables and advanced manufacturing to develop a compelling innovation and support offer for business, capitalising on the world-class research capabilities in the cluster. And ensuring that a range of sector strategies including Maritime 2050 and the Dunne Review reflect the South Coast Marine Cluster potential.

➤ Government Engagement

The LEP works with Government departments on a range of issues. 2019-20 activity will include

- Department for Business, Energy & Industrial Strategy: develop the HotSW Local Industrial Strategy – timed for completion autumn 2019. Input to design of UK Shared Prosperity Fund – the planned replacement for European Structural & Investment Funds – to ensure this meets the areas' requirements
- Department for Education: support DfE's roll out of T-levels and additional apprenticeship activity, as well as implementation and launch of the LEPs Skills Advisory Panel from March 2019.
- Ministry of Housing, Communities & Local Government: investment of ERDF into local priorities
- Department for Work & Pensions: investment of ESF into local priorities
- Rural Payments Agency: investment of EAFRD into local priorities
- Department for Culture, Media & Sport: implementation of the Digital Skills Partnership work and addressing the area's broadband and mobile connectivity challenges
- Department for Transport: working with partners to address the area's strategic infrastructure challenges

➤ Communications & Partnership

Implement revised communications and engagement approach to:

- Raise HotSW profile with Government, MPs and officials with the aim of establishing an All-Party Parliamentary Group by the summer, complementing the aim of formal recognition of GSW and subsequent strategic backing and funding.
- Radically strengthen the LEP's digital profile through social media, and website improvement
- Further strengthen working with businesses and business organisations. Part of this will involve direct input to development of the Local Industrial Strategy and the holding of the LEP's annual conference and AGM in autumn 2019.

➤ LEP Operating Model

The LEP will revise its operating model to ensure compliance with the 2018 Strengthened LEPs report, including

- compliance with the new National Assurance Framework by end April 2019
- revision of LEP Leadership Group function and support provided to Board members by end September 2019
- revision of the LEP's way of working with business to strengthen this further. By end September 2019

The LEP will also be seeking a replacement for the current Chair who is due to retire by end December 2019.

➤ Impact Analysis

The LEP will undertake an evaluation to report on the contribution LEP activity has made to wider economic growth across the area through 2019-20. This will be published early 2020-21.

More detail is set out in the following sections.

2. Local Growth Fund

The LEP set out its aims and plans from 2014-2021 in the Strategic Economic Plan²; the LEP's investment portfolio is targeted at these aims. The SEP set out a vision to transform the reputation and positioning of our area nationally and globally by 2030. In pursuit of the SEP aims, since 2014 the LEP has secured funding through three main routes; 3 Growth Deals which accessed Government's Local Growth Fund, a Growing Places award and funding from the Rural Growth Network, split as below:

- £239.1 million of Growth Deal investment
- £22.6 million of Growing Places (loan) investment
- £2.9 million Rural Growth Network pilot investment

With match funding the total investment in SEP priorities is now over £750 million across 67 projects of which 24 are complete, 36 are underway and 7 are in development. More details on project's delivery and progress can be seen here <https://heartofswlep.co.uk/projects/>

Our investments cover schemes to unlock housing and create jobs and training opportunities with some key themes. The key themes of our Growth Deal investment programmes are split as follows: Transport £118.51m, Innovation space £40.23, Digital – broadband and mobile infrastructure - £18.07 and Skills capital projects at £27.1m. The transport projects which make up the bulk of the funding focus on unlocking housing and workspace, alleviating congestion, enabling growth and improving public facilities, and include 3 rail projects. Growing Places loans are similarly focussed on these priorities whilst the Rural Growth Network award funded a range of pilot activity in 2014-15.

The table below shows the performance of the wider economy since 2014 and the contribution the LEP's investment portfolio has made to date and will make in 2019/20:

	HotSW Economy		LEP Investment Portfolio				
	SEP Objective	Change 2014-2018	Achieved to date	2019-20 F'cast	2020-21 F'cast	2021-25 F'cast	Total
Employment	+50,000 jobs created by 2020	+47,000	2,240 jobs	4,833	6,502	11,889	25,464
Skills	By 2020 <ul style="list-style-type: none"> • 60% of adults qualified to Level 3+ • 40% to Level 4+ 	58.8% at level 3+ (+3.5pts vs 2014) 36.2% at L4+ (+2.7pts vs 2014)	9,374 learners assisted	5,993	5,873	6,608	27,848
Housing	170,000 new homes by 2030	+26,010	3,085 new homes	2,356	2,394	9,255	17,090

² <https://heartofswlep.co.uk/wp-content/uploads/2016/09/SEP-Final-draft-31-03-14-website-1.pdf>

2019-20 delivery priorities

As the Local Growth Fund enters the final few years of operation, the LEP will be focussing on ensuring spend targets are met and that projects are delivering the expected outcomes. Specifically the LEP will

- Review spend against profile and aim for less than 10% variance, tightening processes if necessary by end May 2019.
- Review output progress against profile and tighten process if necessary, by end May 2019.
- Review pipeline of future projects, by end June 2019.
- Ensure adherence to Branding and Communications guidelines for all projects, by end June 2019.

3. Other Funding or Growth Programmes

European Structural & Investment Funds

In addition to Local Growth Fund, the LEP works with Government to influence investment of £122 million European funds in the area. The monies are split across three individual European funds

- European Regional Development Fund (ERDF) - £62 million providing support for business growth and employment. The projects in the LEP area are collectively called the ERDF Growth Support Programme and are themed around innovation, information communications & technology, business support and support for low carbon innovation
- European Social Fund (ESF) - £44 million providing support for skills development. Monies are concentrated on widening participation in Further & Higher education; improving employer engagement in skills development and supporting apprenticeships; supporting more young people into employment education & training; supporting development of higher level skills
- European Agricultural Fund for Rural Development (EAFRD) - £15.5 million supporting sustainable rural development.

Details on the funds and which projects have been supported can be found at <https://heartofswlep.co.uk/doing-business-in-our-area/european-structural-and-investment-funds/>. Government awards and manages contracts with the LEP's role to shape calls and advise Government on ensuring the projects funded deliver to local priorities. The programmes require contracts for projects to be in place by end December 2020 and projects to have completed by end December 2023.

The table shows the allocation across the three European funds and the progress towards contracting. The European Social Fund represents the largest task although performance in the LEP area is in line with others across the country. The last year has seen the identification of £9m of new ESF projects, including additional support for those at risk of becoming Not in Employment, Education or Training (NEET); assist people gain new skills in the workplace; and support those furthest from employment into a good job. With over 2,000 individuals supported in the year through existing programmes as well, ESF continues to provide a significant contribution to the LEP's overall ambitions around employment and skills.

The LEP is working with Government to develop further calls for both ERDF and ESF to utilise the remaining funds in both programmes and these will be publicised through the LEP's website in 2019-20.

Stage in the business process (March 2019)	ERDF	ESF	EAFRD
Total notional allocation £	£62,097,723	£44,381,182	£15,540,333
Contracted to date £ (funding agreement signed)	£28,972,901	£19,112,680	£10,684,357
Under Consideration £ (projects at assessment, appraisal or contracting)	£22,275,593	£13,919,456	£14,069,407
Total in the business process	£51,248,494	£33,032,136	£24,753,764

2019-20 activity	Calls in development	Calls in development	Pipeline exceeds allocation - no calls planned
------------------	----------------------	----------------------	--

European projects are required to report on an extensive range of outputs; the table below shows some of the key ones that the current ERDF projects will deliver; these forecasts will change as other projects are contracted through the year and the LEP will publish updates on the European Funding pages of the website by mid 2019-20:

Output	Actual achieved to date	Total Forecast
Enterprises supported (C1)	879	2,856
Employment increases (jobs – C8)	201	736
New to firm products (C29)	81	384
Additional businesses with broadband access of at least 30mbs		2,230

2019-20 priorities: EU funds must be contracted by end December 2020 and the LEP will continue to work with Government to ensure the full HotSW allocation is invested in the area by this date, with particular focus on ESF.

Publish updated outputs information on the LEP website for contracted projects by mid 2019-20.

Growth Hub

The SEP set an ambition to make Heart of the SW one of the best places to start and grow a business. 5,920 businesses have been created since 2014; whilst this is positive, this represents a 9% change compared with 14% change in the UK as a whole – there is more to be done.

The Heart of the SW Growth Hub is a key part of delivering this ambition. The Growth Hub was commissioned on a three year contract commencing in early in 2016. The first of two options to extend the service by twelve months has just been activated, taking delivery through to February 2020. The Growth Hub is the front door to business support throughout the LEP area, charged with engaging, signposting, and referring on businesses to the right support, a process known as Information, Diagnostic and Brokerage. While the focus is on publicly funded support, an online directory of private sector support has been established to show the additional help that is on offer for businesses. As a “front door” the Growth Hub provides a way in to a number of key LEP funded business support programmes, such as the Hinkley Point Supply Chain, and ERDF Growth Support Programme.

Since 2016 the Growth Hub website has received over 56,000 visitors, with over 6,600 businesses engaged, Information, Diagnostic, and Brokerage support provided to 2,200 businesses, and 260 businesses have received a minimum of 12 hours or more high level intensive support. A further 400 businesses have received up to three hours of face to face support. The Growth Hub provides a key channel into the European funded business support programmes; 1,733 have been engaged through the Hub, enabling the ERDF projects as a whole to support 879 (see European Funding section)

Activity	Business Support Programme		
	Growth Hub	Hinkley Point Supply Chain	ERDF Growth Support Programme
Business Engagement	4,873	n/a	1,733
Information, Diagnostic, & Brokerage	931	254	1,103
High level support	n/a	65	195
Face to Face Support (Up to 3 hours)	400	n/a	n/a

2019-20 priorities: the Growth Hub will refine its service with a stronger focus on scale-up businesses, complimenting a newly procured pilot scale-up service that will run over the same period and work with at least 55 “scaling businesses”. The support offered will also be re-packaged for sectors, business life-cycle, and with a focus on specific topics, such as Brexit.

Enterprise Zones

Heart of the SW has three Enterprise Zone sites with details shown below

Gravity (<http://www.thisisgravity.co.uk/>)

Located at J23 of the M5 providing 635 acres of employment land with proximity to Bristol deep sea port, Bristol and Exeter Airports and the Hinkley Point C new nuclear build, Gravity will be an intelligent, sustainable, connected and immersive innovation campus at the heart of the South West. With an offer of resilient energy solutions through an on-site provider, on-site rail connectivity, dark fibre and water abstraction licences, the site will welcome the world’s most innovative businesses. Underpinned by a vision focused on Clean Growth, Gravity will target high value businesses in low carbon, high tech sectors such as advanced manufacturing, electric vehicles, robotics and AI, R&D and associated activities such as data centres and assembly and distribution. Given the size of the site and access to a local and regional workforce from Bristol, Bath and Exeter with strengths in Clean Growth, Gravity is capable of leading the UK’s sustainable economic growth. It also has the potential to offer off site manufacturing and support services to Bath/ Bristol facilitated by the M5 Growth Corridor. Gravity is a future home to 50-150 businesses with around 4,000 employees on site and is a catalyst for regional change and innovation.

LEP 2019-20 priorities: The site is a former munitions factory and remediation work is well under way with the LEP part funding the access road. The compulsory purchase order to secure the land is advanced and construction of the road will commence in 2019. Delivering this Growth Deal-funded project is a key priority to ensure the site is open for business in 2020.

Exeter & East Devon Enterprise Zone www.exeterandeastdevon.com

The Zone covers 4 sites to the east of Exeter. The Zone has excellent connectivity with domestic and international markets with good road (J29 of the M5 & A30), rail (London Waterloo) links and is located on the doorstep of Exeter Airport, with direct flights to major

UK and European cities. The sites covered in the Zone are Exeter Science Park, Skypark business park, the new community of Cranbrook and Air Park. The total site area is 75 hectares which will support the creation of 10,500 new jobs. The sites provide opportunities for all types of business, from incubator space for start-ups, grow on space for R&D companies, to flagship office space.

2019-20 priorities: the LEP has invested significantly in Exeter Science Park and delivering the Local Growth Fund projects for developing additional grow on space for growing innovation based / R&D jobs will be a priority. Alongside this the LEP will be working with partners developing the Zone to deliver highway improvements, office space and simplified planning to support the delivery of further development.

Oceansgate (<http://www.oceansgateplymouth.com/>)

Located on the waterfront in Plymouth with direct access to the Sound and the English Channel beyond, Oceansgate is a 35ha site focussing exclusively on the marine sector which will create 1200 jobs. The site forms part of Heart of the SW's contribution to the wider South Coast Marine Cluster which stretches from Cornwall & the Isles of Scilly to Southampton. Oceansgate's development is divided into three phases; phase one is being actively marketed and phase two is under way with completion summer 2020. Phase 3, consisting of docks, jetties, land, office and industrial space with access to deep water requires significant investment and securing this remains a key priority. The Zone is underpinned by the Marine Business Technology Centre which brings together the world-class research expertise in Heart of the SW with the businesses on site, creating links which enable development of new products and services.

2019-20 priorities: delivering the existing Local Growth Fund investment in Oceansgate, start phase 2 construction May 2019 and continue work to unlock funding for Phase 3 development

In addition, the LEP will seek to ensure the Enterprise Zones' offer to businesses after the initial business rate reduction period remains compelling.

Skills Portfolio

The LEP oversees a range of activity focussed on addressing the area's skills challenges – details below. Some the LEP leads on and others works as part of a partnership:

- i) **Heart of the South West Careers Hub** - Following a successful bid process during the Spring, the Local Enterprise Partnership launched the HotSW Careers Hub in September 2018. The hub, working with 80 schools across the area, seeks to enhance and promote strong careers, advice and guidance across our secondary schools and colleges, with a focus on promotion of the Gatsby benchmarks. Whilst still early in its two year programme, the Hub has already seen progress on a range of curriculum areas, including the number of students receiving personalised advice, engagement with FE and HE, and in the number of schools within HotSW overall with a structured careers approach.

2019-20 priorities: ramping up of activity to meet 7-8 Gatsby Target within our 40 hub schools and seeking to ensure every mainstream secondary school is offered the chance to work with an Enterprise Advisor.

- ii) **Digital Skills Partnership** – the DSP is playing a central role in raising digital skills levels in the area by bringing together private, public and education sector to build a cohesive digital skills landscape

2019-20 priorities: implement the Digital Skills Partnership action plan which matches existing digital opportunities with individuals/ organisations looking to develop their digital skills. This will include maximising digital upskilling through successful bids into funding streams and championing and highlighting the regions digital skills news, case studies and exemplars. The plan will be published on the LEP's website in April

- iii) **Careers Learning Pilot** - The HotSW Career Learning Pilot entered its full year of operation in 2018/19, delivering over 450 Level 3 training opportunities. Aimed at supporting harder to reach adults (older people, women returners, young people from deprived areas), the project provided both subsidised learning, wraparound support and careers advice for those who have traditionally struggled to progress. Due to complete in September 2019, the Department for Education has captured key lessons form the project which are now being integrated into the emerging national retraining Programme.

2019-20 priorities: completion of the Pilot programme in July 2019, with feed in to relevant evaluation and policy learning with Department for Education colleagues.

- iv) **Institute of Technology** - Work continued during the year on two Institute of Technology Bids across the Heart of the South West, the South West Institute of Technology (working with Cornwall & the Isles of Scilly) and SWIFT (working with the West of England). Collectively due to provide 2,700 level 4 and above technical qualifications by 2023, and with a related £50-60m capital programme, the IoTs both successfully passed the outline business case process in mid-2018, with a full business case submitted for both during the autumn. Bids are currently awaiting a final decision from Government on next steps, now expected in April.

2019-20 priorities: ongoing work with Consortium partners around successful bids, seeking to support the delivery of related capital projects and new provision across the area. Exploration of additional opportunities to add to the IoTs offer from any emerging funding.

4. Strategic Activity

This section sets out wider activity the LEP will undertake through 2019/20 in pursuit of productivity growth.

A. Cross-LEP Area Working

Economic boundaries are highly porous and do not follow administrative boundaries. In recognition of this the LEP already works across multiple geographies and will continue to do so. 2019/20 will focus on

- i) Developing the Great South West propositions, working with LEPs from Cornwall & Isles of Scilly and Dorset to raise the profile of the area with decision makers in Government and secure recognition of GSW
- ii) Maximising the growth potential from the new nuclear build at Hinkley Point C (construction and high-tech engineering); the area's nuclear defence work, in particular the submarines maintenance operations in Devonport (high-tech engineering); the aerospace sector, in particular Yeovil's unique rotorcraft capability (high-tech engineering). The LEP will work with LEPs from West of England, GFirst, New Anglia and the devolved Welsh administration to
 - Realise the supply chain opportunity, leveraging the Nuclear Sector Deal
 - Enable skills development across HotSW and other new nuclear locations
 - Maximise the growth potential from synergies between the civil and defence nuclear sectors with a specific focus on decommissioning
 - Invest to support raising of innovation capability amongst SMEs in the rotorcraft supply chain
- iii) Maximise the growth potential from the South Coast Marine Cluster (<https://southcoastmarine.org.uk/>), working with LEPs from Cornwall & Isles of Scilly, Dorset and partners in Hampshire to
 - Use the cluster's unique strengths in marine autonomy, offshore renewables and advanced manufacturing to develop a compelling innovation and support offer for business, capitalising on the world-class research capabilities in the cluster
 - ensuring that a range of sector strategies including Maritime 2050 and the Dunne Review reflect the South Coast Marine Cluster potential.

B. Government Engagement

The LEP works with Government departments on a range of issues. 2019-20 activity will include

- Department for Business, Energy & Industrial Strategy: develop the HotSW Local Industrial Strategy – timed for completion autumn 2019. Input to design of UK Shared Prosperity Fund – the planned replacement for European Structural & Investment Funds – to ensure this meets the areas' requirements
- Department for Education: support DfE's roll out of T-levels and additional apprenticeship activity, as well as implementation and launch of the LEPs Skills Advisory Panel from March 2019.
- Ministry of Housing, Communities & Local Government: investment of ERDF into local priorities
- Department for Work & Pensions: investment of ESF into local priorities
- Rural Payments Agency: investment of EAFRD into local priorities

- Department for Culture, Media & Sport: implementation of the Digital Skills Partnership work and addressing the area's broadband and mobile connectivity challenges
- Department for Transport: working with partners to address the area's strategic infrastructure challenges

C. Communications & Partnership

Through 2019-20, the LEP will revise its communications and engagement approach to:

- i) Raise HotSW profile with Government, MPs and officials with the aim to establishing an All-Party Parliamentary Group by the summer, complementing the aim of formal recognition of GSW and subsequent strategic backing and funding.
- ii) Radically strengthen the LEP's digital profile through social media, and website improvement
- iii) Further strengthen working with businesses and business organisations. Part of this will involve direct input to development of the Local Industrial Strategy and the holding of the LEP's annual conference and AGM in autumn 2019.

D. LEP Operating Model

The LEP will revise its operating model to ensure compliance with the 2018 Strengthened LEPs report. This will include:

- compliance with the new National Assurance Framework by end April 2019
- revision of LEP Leadership Group function and support provided to Board members by end September 2019
- revision of the LEP's way of working with business to strengthen this further. By end September 2019

The LEP will also be seeking a replacement for the current Chair who is due to retire by end December 2019.

E. Impact Analysis

The LEP will undertake an evaluation to report on the contribution LEP activity has made to wider economic growth across the area.

Heart of the SW Delivery Improvement Plan 2019-20

15 April 2019

<p><u>Improvement summary</u></p> <p><i>Summarise the improvement that needs to be made, including KPIs</i></p>	<p><u>Milestones</u></p> <p><i>Add key milestones and dates (where possible)</i></p>	<p><u>Monitoring process</u></p> <p><i>Note how you will monitor progress</i></p>	<p><u>Area Lead progress update</u></p> <p><i>To be completed on a quarterly basis, referencing progress on KPIs</i></p>
<p>1. Review spend against profile and aim for less than 10% variance, tightening processes if necessary by end May 2019</p>	<ul style="list-style-type: none"> • By end April, for sign-off at May LEP Strategic Investment Panel (SIP): agree target spend profile with Government • By end June: 19/20 forecast to be updated following Q4 18/19 project forecasts and reviewed by June SIP. • By end June: project leads meeting with LEP and CLGU to cover claims profiling, outputs reporting and comms regs • Following project leads meeting, all projects to be notified of requirement to spend within 10% variance of their profile as determined by June SIP. 	<ul style="list-style-type: none"> • Progress to be considered quarterly by SIP following quarterly claims processing. • Projects varying by larger amounts than 10% to be reviewed and justifications for variations considered by SIP as part of “amber” project review process. • Progress to be considered by the LEP Board Q4 19/20 • Area Lead to attend SIP/confirm from minutes of the meeting to confirm review discussion and approach will address improvement. • Outturn Qs1-4 19/20 	<ul style="list-style-type: none"> •
<p>2. Review output progress against profile and tighten process if necessary, by end May 2019</p>	<ul style="list-style-type: none"> • By end May: Outputs to be reviewed, target profile agreed with Government and updated report presented to June SIP meeting 	<ul style="list-style-type: none"> • SIP to agree process to address justifications for projects where outputs have slipped or are lower than in approved business case. SIP 	<ul style="list-style-type: none"> •

	<ul style="list-style-type: none"> • Also see project leads meeting under 1 above • June SIP: agree approach to tighten process for outputs monitoring as needed. 	<p>to agree remedial actions as required on a case by case basis.</p> <ul style="list-style-type: none"> • Progress to be considered quarterly by SIP following quarterly claims processing • Area Lead to attend SIP/confirm from minutes of the meeting to confirm review discussion and approach will address improvement. • Outturn Qs1-4 19/20 	
3. Review pipeline of future projects, by end June 2019	<ul style="list-style-type: none"> • By end May: LEP management team to compile from the Productivity Strategy delivery plan, FE capital programme, transport priorities, the current employment land study and Unlocking Growth Fund • June: SIP review <p><i>Note: a call will not be held at this stage as there are no funds immediately available and a call risks raising expectations. This will be kept under review</i></p>	<ul style="list-style-type: none"> • Weekly LEP management team meetings to monitor development of pipeline • Area Lead to review with LEP Programme team at monthly meeting. • Area Lead to observe LEP Board discussion and agreement on prioritisation 	•
4. Ensure adherence to Branding and Communications guidelines for all projects, by end June 2019	<ul style="list-style-type: none"> • By end June, Govt (CLGU) to confirm revised comms requirements following April's LEP Network comms forum (in progress) • Also see project leads meeting under 1 above <p>:</p>	<ul style="list-style-type: none"> • LEP Comms Manager to monitor & review and provide monthly update to SIP via PMO • Area Lead to review adherence with LEP Programme team on a quarterly basis via SIP 	•

	<ul style="list-style-type: none"> • By mid-July: joint CLGU/LEP letter to all project leads outlining comms expectations • By end July: LEP to follow up by writing to all theme & project leads in relation to revised comms regs and request forward PR milestones, evidence of correct use of branding and images/video footage • By end-August: LEP to compile responses to the above to revise the monitoring process of projects' comms activity • On-going: LEP to use the above to raise profile of GD projects through normal comms activity. Includes use of milestones to proactively identify opportunities for Ministerial engagement 		
5.	•	•	•

Deliverables Progress								
	This Gur	16-17	Financial Year				21-25	Total
			17-18	18-19	19-20	20-21		
Housing								
Houses Completed	834	1,630	1,070	593	0	0		3,295
Forecast for year	2,685		1,795	2,595	2,356	2,394		10,771
Progress towards forecast	13%		60%	23%	0%	0%		31%
Jobs								
Jobs Created	460	115	91	585	0	0		791
Apprenticeships Created*	119	372	393	583	0	0		1,348
Jobs including Apprenticeships	579	487	484	1,168	0	0		2,139
Forecast for year	3,737		1,631	3,737	4,833	6,503		17,181
Progress towards forecast	16%		30%	31%	0%	0%		12%
* Apprenticeships included within Jobs totals prior to 2017								
Skills								
Area of new or improved floorspace (m2)	886	4,212	11,265	1,795	0	0		17,272
Forecast for year	0		13,155	0	0	4,500		21,867
Progress towards forecast	-		86%	-	-	0%		79%
Number of New Learners Assisted								
Forecast for year	262	4,663	3,550	2,474	0	0		10,867
Forecast for year	6,025		4,971	6,025	5,993	5,872		27,624
Progress towards forecast	4%		71%	41%	0%	0%		39%
Transport								
Length of Road Resurfaced	0.0	0.0	9.9	0.0	0.0	0.0		9.9
Length of Newly Built Road	0.0	0.0	2.1	0.0	0.0	0.0		2.1
Length New Cycle Ways	2.8	0.0	2.8	2.6	0.0	0.0		6.6

Project Name	Project RAG Ratings				
	Previous Quarter Q3_1819	This Quarter Q4_1819	Project Name	Previous Quarter Q3_1819	This Quarter Q4_1819
Yeovil Western Corridor Capacity Upgrade	G	G	Electronics & photonics Innovation centre	G	G
Torquay Western Corridor Capacity Improvements	G	G	Marine Industries Production Campus at Exeter	G	G
Devonport Transport Scheme	G	G	Unlocking Growth Fund	G	G
A382 widening, Newton Abbot	G	G	Exeter Science Park MET Office Environment	A	A
Torquay Gateway	G	G	Exeter Science Park Grow On Buildings	G	G
Huntworth Roundabout Bridgwater	G	G	J25, M5 at Henlade	G	G
A361 Fortmore to Landkey Stage 1	G	G	Tiverton Eastern Urban Extension	G	G
Devonport Hospital Interchange	G	G	Somerset Energy Innovation Centre Phase 2	G	G
Taunton Rail Station Enhancements	G	G	Connecting Devon and Somerset Phase 2	G	G
Torquay town centre access	G	G	Constructing Futures	G	G
Roundswell Phase 2, Barnstaple	G	G	South Devon College Hi Tech centre	G	G
A38 Deep Lane Junction, Sherford	G	G	(Aero) (South) Centre	G	G
A379 Newcourt Junction, Exeter	G	G	Blue Screen ICT Training Project	G	G
A39 Heywood Road Junction (Bideford)	G	G	Houghton Barton Package	G	G
Marsh Barton Railway Station (Exeter)	R	R	Taunton Townway Improvements	G	G
Plymouth Northern Corridor traffic signals	G	G	Hunts Hill Energy Park	G	G
Bridgwater College Hinkley Skills Capital	G	G	Plymouth Central Railway Station	G	G
Plymouth College STEM Centre	G	G	North Devon Innovation Centre, Roundswell	G	G
Hinkley HPTA package	G	G	-	-	-
SW/Hinkley Low Carbon Innovation and Exeter Science Park Environmental Future	G	G	-	-	-
Somerset College Centre for Engineering	G	G	-	-	-
Plymouth Science Park (Phase 5)	G	G	-	-	-
Flood Action Plan	G	G	-	-	-
Growth Hub	G	G	-	-	-
Plymouth Eastern Corridor cycle network	G	G	-	-	-
Plymouth Charles Cross and Exeter Road	G	G	-	-	-
Pervasive 4G mobile infrastructure	R	R	-	-	-
Broadband Phase 2	G	G	-	-	-

Financial Progress							
LOF Allocation	2016-18	2018-17	17-18	18-19	19-20	20-21	Total
LOF Outturn							
Actual	£ 4,887,182	£ 50,545,078	£ 30,436,450	£ 28,026,538	£ -	£ -	£ 108,108,088
Forecast	£ 40,883,628		£ 30,436,450	£ 40,883,528	£ 49,499,883	£ 24,402,465	£ 195,887,404
Progress towards forecast	12%		100%	69%	0%	0%	68%
LOF Expenditure							
Actual	£ 4,887,182	£ 50,545,078	£ 30,436,450	£ 28,026,538	£ -	£ -	£ 108,108,088
Forecast	£ 40,883,628		£ 30,436,450	£ 40,883,528	£ 49,499,883	£ 24,402,465	£ 195,887,404
Progress towards forecast	12%		100%	69%	0%	0%	68%
Non-LOF Expenditure							
Actual	£ 8,704,888	£ 60,130,557	£ 39,507,217	£ 24,164,138	£ -	£ -	£ 123,801,812
Forecast	£ 40,890,913		£ 40,930,913	£ 39,470,957	£ 34,335,629	£ 18,314,707	£ 193,182,784
Progress towards forecast	21%		97%	61%	0%	0%	84%
Total LOF + non-LOF Expenditure							
Actual	£ 13,701,861	£ 110,775,635	£ 69,943,667	£ 52,190,676	£ -	£ -	£ 232,909,878
Forecast	£ 81,814,442		£ 71,367,363	£ 80,354,486	£ 83,835,512	£ 42,717,172	£ 388,060,188
Progress towards forecast	17%		+98%	+65%	+0%	+0%	80%

Contractual Commitments (manual entry)							
Forecast	16-17	17-18	18-19	19-20	20-21	Total	Variance
Actual	£ 122,764,598	£ 22,922,127	£ 5,500,000	£ -	£ -	£ 151,186,724	
Variance	+0.00%	+0.00%	-52.34%	-100.00%	-	-22.81%	


Commentary

This forecast shows an under allocation against projects, mainly due to the GD1 allocation towards programme management costs being outside this profile. Funding agreements require annual monitoring (as this was the original forecast requirement) so we will not have significant increases in outputs each quarter - rather this will be provided on a rolling basis as outputs come forward. In terms of RAG status, 2 projects remain red (Marsh Barton Station) and 4G Mobile- 5G decided not to fund this individually on the basis that the market has moved on and 4G coverage is now better placed as part of a wider digital strategy being developed for GD3 funding, subject to LEP Board approval of this approach.

Approved by LEP Board: Chief Executive

Signature 
 Name David Ralph
 Date 25-Apr-19

Approved by Somerset County Council, S151 Officer:

Signature 
 Name Sheila Collins
 Date 29-Apr-19

HotSW Joint Committee

Meeting date – Friday 29 March 2019

ACCELERATION OF HOUSING DELIVERY IN THE HEART OF THE SOUTH WEST

Joint Committee Housing Task Force Report

Lead Officer: Stephen Walford, Chief Executive, Mid Devon District Council

Author: Alison Ward, Regional Partnerships Manager, Plymouth City Council

1. Summary

- 1.1. There is a clear desire to see quality housing growth delivered across the Joint Committee area. There is also a growing sense of frustration that the solutions to a number of the issues holding growth back are not locally-achievable, and that while councils are doing everything they can to address these blockages, there is a limit to what can be achieved without the support (and where necessary, intervention) of government departments and agencies.
- 1.2. The Joint Committee has recognised housing as a priority objective to try and address these issues; to deliver the high-quality housing that is needed, and to try and find an avenue to engage with government at a meaningful level. This is about nothing less than unlocking and unleashing the economic potential of our area and the quality housing growth needed to provide for our communities of the future.

2. Recommendations

- 2.1.
 1. That the Joint Committee pursue an area-based package to accelerate housing delivery which, at headline level, should include:
 - a. Resourcing of a strategic delivery team (capacity funding)
 - b. A major infrastructure delivery fund to unlock growth
 - c. A small schemes liquidity fund to bring forward stalled sites
 2. That the proposed package as set out in appendix 1 is agreed as an appropriate package to accelerate housing delivery across the HotSW geography.
 3. That the proposed package as set out in appendix 1 is used by officers as the basis for future engagement with central government and its agencies in seeking to secure a bespoke deal for the HotSW area to structurally embed collaboration with central government on housing delivery.
 4. That the Task Force seeks to now engage with senior figures within both Homes England and the MHCLG Growth and Delivery Unit to understand their appetite for driving growth and willingness to work with the Joint Committee on some kind of housing deal.
 5. That the Task Force brings back any updates or progress to the Joint Committee to consider in due course.

Agenda Item 5

3. Background

- 3.1** The delivery of housing is a key government priority, as well as being of fundamental importance to our local places and local economies across the HotSW area. Over the summer of 2018, PerConsulting Ltd was commissioned on behalf of the Joint Committee to conduct an audit of housing targets, planning processes, and delivery rates across the HotSW area. The work involved collating information and a series of face to face meetings with housing and planning officers in each council. The survey also picked up information regarding the capacity and skills within local planning teams, and other issues, for example around planning policy and local housing markets.
- 3.2** The report was presented at the HotSW Housing Summit at the end of September 2018. Attended by a wide range of partners and stakeholders from across the public, private and third sector, and Government, it provided a valuable opportunity to hear first-hand from Homes England, and to discuss the opportunities for faster growth and delivery, as well as exploring challenges and sharing best practice.
- 3.3** At the Joint Committee meeting on 5 October, Councillor Harvey Siggs, Leader of Mendip District Council, agreed to take the work forward through the establishment of a Housing Task Force. This task force met in November and brought a report back to the Joint Committee on 25th January 2019 which recommended collaboration on developing a HotSW-wide approach to 'asks' and ambition for action and asked that a further report be brought back to the Joint Committee at its meeting of 29th March 2019 with recommendations on a proposed package.

4. Context

- 4.1** Nationally we know that other areas have successfully negotiated funding and support from Government.
- The West of England negotiated £3m of capacity funding to establish a strategic delivery team to progress large sites for housing development.
 - West Northamptonshire are working on a package of freedoms and flexibilities to support delivery of development, for example around relaxing the housing land supply requirements in the short term and exploring land value capture mechanisms.
 - The Oxfordshire housing deal provides £150m for infrastructure improvements, £60m for affordable homes, and £5m for capacity funding – to deliver an agreed 6,500 homes by 2022 (alongside a commitment to submit and adopt a joint statutory spatial plan covering five planning authority areas up to 2050).
- 4.2** There are also many opportunities to align with funding announcements and national initiatives such as those announced in the Chancellor's budget last year, including an increased Housing Infrastructure Fund; bank guarantees for smaller house-builders; and the Future High Streets Fund which can help local areas to reshape their high streets integrating more housing and improving transport. In addition, there has been a significant focus on boosting housing delivery from the NIC Oxford-Cambridge corridor study which clearly demonstrated how national and local agencies need to align and cooperate to achieve faster growth. The Chancellor's Spring Statement committed a further £445m along the OxCam Arc to unlock 22,000 homes.

5. Progress and Achievements

- 5.1** From our original set of offers and asks that came from the Housing Summit in September 2018, we have already set up the Housing Task Force as a sign of our commitment to drive this forward. Each area is also developing their long term local plans and where it makes sense, these are being progressed jointly across housing and economic areas.
- 5.2** With the overarching governance already in place to provide assurance on any deal with government, we are now well-placed to move forward – but this will require some willingness on behalf of government departments and agencies to work with us. There is a degree of frustration and concern that the rhetoric given to local leaders is not materialising in reality, with funding to secure better places for our communities being channelled to other parts of the country – and potentially funding commitments already given for housing infrastructure seemingly now at risk.
- 6. Proposed Approach**
- 6.1** Given that the established rules of engagement are currently in a degree of flux, it is felt that a bold programme of ambition is perhaps now the best way to elicit the necessary response from government. In simple terms there are three strands that require addressing to accelerate the delivery of quality housing and quality places across the Joint Committee area:
1. There is a need for the capacity to bring forward development propositions, to smooth it through the planning process, and to ensure delivery once consent is granted. With local councils being cut to the bone in terms of funding, this capacity is very thin on the ground, and councils invariably have limited capacity to address land matters, masterplan, negotiate, and drive growth post-consent. There is an opportunity for councils across HotSW to self-organise and deploy skills and capacity but only if additional funding is forthcoming from Government to ensure resilience.
 2. In many places across the joint committee area, major infrastructure capacity is curtailing growth. This can be identified in many places, and has been evidenced by Planning Inspectors placing a limit on housing that can be brought forward before major infrastructure upgrades are in place. While planning obligations will always be sought to contribute, it must be recognised that such schemes are well beyond what the private sector (development market) could afford. Local councils will always consider taking on borrowing to cash-flow infrastructure upgrades for the benefit of their communities, but there is a scale at which this becomes unaffordable for the balance sheet of local councils.
 3. While some interventions are dependent upon funding, there are also a range of small and medium scale developments that have stalled due to financing arrangements. The third strand of housing intervention would therefore be focused on providing additional liquidity in this small-medium site sector.
- 6.2** Beneath these headlines, there are a range of issues that have been identified in appendix 1, being based on discussions by the HotSW Housing Task Force and informed by input from councils across the geography. It is designed to be a simple and straightforward framework on which to engage government on the nature of the 'ask'. At this point it has concentrated on strategic intervention and alignment, not on overt tactical responses at site-specific locations. It was not felt that compiling a 'wish list' of specific schemes was going to be productive as a framework for negotiation with government, so our asks have focused on systemic changes, freedoms/flexibilities, and the desire for the overt alignment of investment programmes across departments and agencies – going far beyond the more usual

Agenda Item 5

offer of 'brokerage' that simply offers to try and break down departmental and inter-agency silos.

- 6.3 Finally, there has to be a recognition that if we are asking government to 'step forward', there will also be situations where local government and the LEP are the ones having to take those steps as well. The framework acknowledges some areas where this might be needed, but no doubt any future negotiation with government will seek to flesh these out further as any wider investment is likely to have strings attached – most obviously around the continued development of suitable governance arrangements that could report into the Joint Committee as needed.

7. Risks

- 7.1 Members should be aware that the proposed approach does not currently fit within the known parameters of 'deals' that the government might wish to progress. And while publicly the messaging has been about how any such deals should be locally-derived and specific to a given area, nevertheless the vast majority of deals in place or under discussion look and feel pretty similar. There is a danger that if it is not clear 'which box to put us in' then any headway in discussions could be severely limited.

However, this risk needs to be balanced against the desire to see the status quo continue, with funding repeatedly going elsewhere at the expense of the residents, communities and businesses across our area.

8. Implications (including equalities)

- 8.1 There are no equalities implications associated with the recommendations. As individual project and proposals are progressed, and decisions required, the equalities implications will be addressed as part of the considerations. The same will apply to legal, financial, HR, risk, health and well-being, health and safety, sustainability, community safety, and privacy implications.

9. Background Papers

- 9.1 None

Appendix 1.

Theme	Ask - Approach	Commentary
Capacity for delivery	Capacity funding – both for LPA’s and for key statutory consultees in order to speed up decision making process and subsequent implementation.	This could be through additional mechanisms secured via a housing deal at Joint Committee level and administered by the JC, or could be implemented by providing all HotSW LPAs with the 'additional 20%' on planning fees that has been touted as a reward for delivery.
	Capacity funding for strategic settlement preparation.	Capacity funding should be available to fund necessary master planning, site assessments and infrastructure prioritisation associated with strategic sites. It is highly unlikely that the development industry would be best placed to undertake this type of work at this scale, and commitment to shaping the quality of these strategic settlements would be welcomed by communities. Evidence over the last few years suggests garden village/town sites are only securing around 50% of the funding being sought to bring these sites forward - highlighting the scope to accelerate if all identified workstreams were funded.
	Capacity funding for small-to-medium sites.	Providing an ability for LPAs to control the quality agenda on small-medium sized sites that otherwise may not benefit from masterplanning in this way. Fitting with the government's agenda on quality as much as quantity. This could be through a specialist team operating across the HotSW area providing expertise to support delivery – it doesn’t need to necessarily be at the level of each LPA.
	Develop and maintain grant funding facilities for housing associations and/or LAs to enable them to both deliver necessary affordable housing allocations on large sites and to take a more proactive longer-term approach to building a pipeline of land and opportunities.	Many large sites are negotiating lower affordable housing contributions to address viability gaps and enable key upfront infrastructure schemes to be provided. A mix of housing products is key to accelerating delivery and addressing housing need - and the direct delivery of social/affordable housing can help to de-risk the private sector element of development sites. There also needs to be consideration of direct grant, where applicable, to ensure affordable housing provision is brought forward – acquiring delivery rights for affordable housing rather than just subsidising whole-site viability.
	Consider the support of Housing Market Area based development corporations, or the creation of a strategic delivery team for HotSW to be deployed across the area as needed to unblock sites and accelerate delivery.	This is about securing the right skills and human resource to be able to drive forward delivery. Individual councils have created their own delivery entities, with differing levels of activity, but there is limited capacity in the system to 'ramp up' in the era of austerity post sub-regional planning and growth point delivery etc. Use capacity to explore more ambitious proposals which go beyond conventional methods of delivery and set out a clear rationale for the need for bespoke delivery models suited to individual circumstances within the JC area.
Policies working for delivery	M5/A38 corridor NIC study - scope major infrastructure priorities for investment	Similar in scope to for example the Oxford-Milton Keynes-Cambridge study with potential to identify significant infrastructure barriers to growth, and secure future government investment (and policy backing) to address these. Would need to recognise the M5 'corridor' as it passes through HotSW i.e. Bridgwater facing north and Exeter facing south down towards Plymouth...

Agenda Item 5

	Fairer Government housing-related funding allocations for areas outside London and the South East.	The current prioritisation of 80% of housing-related Government funding programmes focusing on areas of 'highest affordability pressure' will limit local authorities' ability to accelerate delivery (outside of these areas). Housing affordability is a national problem. Significant housing pressures coupled with lower land values in areas outside the South East region mean that Government investment is critical if the national housing shortage is going to be addressed.
	Recognise that 'official delivery' policies can work against otherwise high-performing areas.	Currently policy is skewed to penalise areas where delivery is disproportionately in non-standard housing - such as student accommodation (Exeter) or temporary accommodation (Sedgemoor linked to Hinkley). Recognition of this delivery in policy terms would assist local planning teams in not having to fight appeals based on non-delivery, as would the consideration of a 3 year land supply requirement on these areas.
Infrastructure funding for delivery	A rolling programme of infrastructure funding from government; this could be pump priming, loans or grants.	The key will be to have a streamline and flexible local funding approach that is more efficient and responsive than national initiatives such as HIF or MFV. A three year "local housing deal" agreed with the Joint Committee for example based on 50% grant and 50% recyclable funding? Government should recognise the need for a more flexible approach to appraising and allocating infrastructure investment for LPA's where the opportunities for very large sites (2000+ dwellings) are more limited.
	Alignment of national investment programmes to growth requirements.	Aligning the investment programmes of agencies such as Highways England, Network Rail and DfT to the growth agenda would be a significant benefit. Securing Homes England support is incredibly helpful, but if Network Rail doesn't enable the new railway station, or Highways England fails to address the motorway junctions, then the infrastructure deficits continue to rise - and ultimately block development from coming forward.
	Better than brokerage.	While breaking down the barriers between departmental silos is helpful, in order to achieve accelerated delivery we need concerted action across agencies, not just the offer of conversations.
	Estate Regeneration.	The challenges of delivering higher density housing in urban areas involve regeneration, demolition and renewal, alongside the challenges of housing and re-housing existing tenants. This much more interventionist approach requires substantial resources and commitment to redevelop in challenging city centre locations. There are locations in Plymouth and Exeter that would be excellent opportunities to pilot new approaches to large-scale city-based housing and economic regeneration projects.