

LEICESTER & LEICESTERSHIRE LEADERSHIP BOARD**3rd SEPTEMBER 2009****Sub-Regional Investment Programme (SRIP)**

1. Purpose of the Report

- 1.1 To inform the Leadership Board of the performance of the Sub-Regional Investment Programme (SRIP)

2. Commitments and Spend

- 2.1 Emda's sub-regional allocation in 2009/10 is £11,909,000. The table below provides details of commitments and spend against the Sub-Regional Investment Plan (SRIP).

Commitment

- 2.2 The table shows a total commitment at present of £7,185,138 (60%). Since the last meeting, the World Cup 2018 and New Business Quarter proposals have been endorsed and as a result the endorsed figure currently stands at £4,209,724. Based on both endorsed and committed projects this equates to a total commitment of £11,394,862 (95.6%). There are also a number of Priority 1 projects being developed to the value of £3,235,248 which creates a potential over commitment of 123%.

Spend

- 2.3 Currently the value of claims processed up until end of July stands at £1,884,559 (15.8%). In August 09, claims have been received to the value of £848,371, which once processed, will increase spend to £2,732,930 (23%) against a spend target of £4,763,000 (40%). We currently anticipate for £350k spend in September which would increase spend to 26%. At the half year point last year the sub regional programme had spent 21% of the allocation.

3. Programme development and risk

- 3.1 Significant work is underway to prepare and submit new applications and to get additional projects contracted. A schedule has been agreed and dates have been set for project applications to be submitted to emda for appraisal.

- 3.2 A number of projects could potentially be 'at risk' and are being monitored closely. These projects are likely to encounter unforeseen delays and problems and this would impact on the delivery and performance of the SRIP. The 'at risk' projects include:

- **Ashby Road** - £941,640 (09/10). Loughborough University could potentially lose a major tenant that occupies a large proportion of the premises at Loughborough Innovation Centre. This will impact on their

proposal to develop the new workspace scheme at Ashby Road. Various options are being discussed.

- **Conkers Ariel Walkway** - £400k (09/10). This project is awaiting match funding from a private investor. We have been advised that the private investor has secured the finance. The contract will be awarded subject to confirmation.
- **Future Jobs Fund** - 300k (09/10). This project is due to be submitted to DWP by end of August, however it is envisaged that the SRIP match funding element may not be requested until 2010/2011.
- **Retail Development Project** - 67k (09/10). This project had applied for ERDF and whilst the appraisal was completed satisfactorily through the SRC at emda, the project has since been advised that DCLG are now ruling that shop front improvements are no longer eligible for support.

3.3 In order to mitigate the risk of the above projects not being delivered, the Co-ordination Group recommends the following actions:-

- HPI Group to review Priority 2 projects and any new proposals including for land assembly that meet the criteria outlined below, with a view to identifying further spend opportunities for 09/10
- Business & Enterprise group to identify existing regional support programmes that require additional resources and which meet the proposed criteria
- Review projects intended to be delivered via ERDF and / or WNF to identify those that could be eligible for sub-regional funding.

Selection Criteria

1. Contribution to EMDA/ SRIP outputs
2. Relevant Strategy & Performance Group priorities
3. Alignment to MAA priorities
4. Funding sought for SRIP funding only in 2009/2010, the project can deliver after 2009/2010 however the project application needs to rely on other funding and not future SRIP support or (other funding not yet secured) in future years to complete the scheme.
5. Be sufficiently developed for an application to be directly submitted for emda technical appraisal.
6. Project match funding is secured and committed and, where appropriate, available to meet expenditure in 2010/11.
7. Relevant statutory consents (such as planning permission) and other necessary approvals (Cabinet / Council) have been secured, (or will be secured before or soon after emda's technical appraisal is completed).
8. Has been assessed as having a low risk of failure to spend within specified time period.
9. The applicant has a proven track record of project delivery within challenging time constraints.
10. Meet EMDA & MAA funding criteria

- 3.4 The key issue in determining a shortlist of Priority 2 projects will be their capacity to spend SRIP monies before 31st March 2010. (Projects may have expenditure beyond April 1st 2010, but in these cases funding from other sources will be required to complete the project.)
- 3.5 Project proposals will require technical appraisal by emda and this will take approximately four weeks from submission of the completed application. For projects which have already received emda support and for which the total emda support is over £1m, emda Board approval will be required which could take two to three months to secure. These time scales will need to be considered in relation to whether the project is deliverable within 2009/10.

4. Recommendation

- 4.1 The Leadership Board is recommended to note the performance of the SRIP and to approve the Co-ordination Group's approach to mitigating risk.

APPENDIX C

		Budget			Forecast 2009-2010			spent		
		Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Business & Enterprise	Committed	695,131	136,120	831,251	589,943	121,620	711,563	138,065	14,500	152,565
	Endorsed	131,004	138,080	269,084	131,004	121,620	252,624			
	1st Priority	296,850	500,000	796,850	236,850	500,000	736,850			
	Sub-Total	1,122,985	774,200	1,897,185	957,797	743,240	1,701,037	138,065	14,500	152,565
Employment & Skills	Committed	236,854	0	236,854	163,182	0	163,182	73,672	0	73,672
	Endorsed	0	50,000	50,000	0	50,000	50,000			
	1st Priority	1,140,000	550,000	1,690,000	1,140,000	550,000	1,690,000			
	Sub-Total	1,376,854	600,000	1,976,854	1,303,182	600,000	1,903,182	73,672	0	73,672
Housing, Planning & Infrastructure	Committed	310,408	3,057,226	3,367,634	264,923	2,808,001	3,072,924	45,485	249,225	294,710
	Endorsed	25,000	3,365,640	3,390,640	25,000	3,365,640	3,390,640			
	1st Priority	0	613,000	613,000	0	613,000	613,000			
	Sub-Total	335,408	7,035,866	7,371,274	289,923	6,786,641	7,076,564	45,485	249,225	294,710
Transport	Committed	0	0	0	0	0	0	0	0	0
	Endorsed	0	0	0	0	0	0			
	1st Priority	0	0	0	0	0	0			
	Sub-Total	0	0	0	0	0	0	0	0	0
Rural	Committed	110,802	2,163,597	2,274,399	103,928	992,818	1,096,746	6,874	1,170,779	1,177,653
	Endorsed	0	500,000	500,000	0	500,000	500,000			
	1st Priority	115,398	20,000	135,398	115,398	20,000	135,398			
	Sub-Total	226,200	2,683,597	2,909,797	219,326	1,512,818	1,732,144	6,874	1,170,779	1,177,653
Admin	Committed	475,000	0	475,000	289,041	0	289,041	185,959	0	185,959
Total	Committed	1,828,195	5,356,943	7,185,138	1,411,017	3,922,439	5,333,456	450,055	1,434,504	1,884,559
	Endorsed	156,004	4,053,720	4,209,724	156,004	4,037,260	4,193,264	0	0	0
	1st Priority	1552248	1683000	3235248	1492248	1683000	3175248	0	0	0
	Total	3,536,447	11,093,663	14,630,110	3,059,269	9,642,699	12,701,968	450,055	1,434,504	1,884,559

APPENDIX C

Budget (incl 25% over-programme)		3,343,000	11,301,000	14,644,000	3,870,000	6,766,000	10,636,000	3,343,000	11,301,000	14,644,000
Variance		-193,447	207,337	13,890	810,731	2,876,699	-2,065,968	2,892,945	9,866,496	12,759,441

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total Allocation	2,381,800	4,763,600	8,336,300	11,909,000
Spent Targets %	20%	40%	70%	100%
Spent Targets Achieved	1,141,151	1,884,559		
Spent Targets Achieved %	48%	40%	0%	0%
Variance	-1,240,649	-2,879,041	-8,336,300	-11,909,000
Variance %	-52%	-60%	-100%	-100%