

## DORSET PERFORMANCE AND INVESTMENT COMMITTEE

<b>Meeting Date</b>	12 January 2021		
<b>Security Level:</b>	<b>Confidential</b> <input checked="" type="checkbox"/>	<b>Commercially Sensitive</b> <input checked="" type="checkbox"/>	<b>Unclassified</b> <input type="checkbox"/>
<b>Paper Title</b>	Dorset LEP Programmes - Delivery Update		
<b>Papers are provided for:</b>	<b>Decision</b> <input checked="" type="checkbox"/>	<b>Discussion</b> <input checked="" type="checkbox"/>	<b>Information</b> <input checked="" type="checkbox"/>

### SUMMARY OF RECOMMENDATIONS:

#### Growth Deal

- NOTE: The Committee notes the Growth Deal financial update, including risks identified.

### 1. PURPOSE

This paper gives an overview of Dorset LEP programme delivery. It is accompanied by several annexes, which are all classified as confidential due to containing commercially sensitive information:

- Annex 1: November 2020 meeting minutes - confidential
- Annex 2: Local Growth Fund and Getting Building Fund – grant programme overview – confidential
- Annex 3: Growing Places Fund – loan programme overview - confidential

### 2. SUMMARY/BACKGROUND

#### A) GROWTH DEAL PROGRAMME

**Annexes 2** provides a high-level overview of all Local Growth Deal programmes and projects. This document has been updated specifically to outline risks to the programme related to the Covid-19 emergency. Any projects that require the Committee's attention, are high risk or had significant change since the last report are also identified in the text below with more details.

#### DORSET GROWTH DEAL - CONTRACTUAL COMMITMENTS

The following information is up to date as of 5 January 2020.

	<b>Previous reporting period (Oct &amp; Nov 2020)</b>	<b>Current Reporting Period (Dec 2020 &amp; Jan 2021)</b>	<b>Forecast for Next Reporting Period (February &amp; March 2021)</b>
<b>Total no of LGF projects:</b>	<b>54</b>	<b>54</b>	<b>54</b>
Total no of closed projects:	30	<b>30</b>	35
Total no of ongoing projects:	24	<b>24</b>	19
Projects in due diligence:	3	<b>none</b>	none
Change from last reporting period:	In this reporting period, there has been no change in the number of closed or ongoing projects. 5 projects will close in February 2021 and 19 will close by 31 March 2021.		

#### DORSET GROWTH DEAL – PROGRAMMATIC AND FINANCIAL UPDATE

All delivery partners are required to submit forecast and invoices to Dorset LEP on monthly basis, where possible, in order to track spending in more 'real' time. Our team of Programme

Managers is in daily/weekly contact with all our partners to monitor any changes in the financial profile or programme delivery and reports to Dorset LEP senior management any early signs that could indicate the projects will not drawdown their full funding by March 21 as currently anticipated.

### **Expressions of Interest**

Based on Dorset LEP Board's recommendation from September 2020, Dorset LEP has completed an Expression of Interest.

In late September, we initiated a call for project extensions to all existing/ongoing projects. This call returned 18 applications from our delivery partners. All decisions on the allocation of any LGF underspend were approved by the LEP Board as part of the November LEP Board meeting as well as via written procedures in early December 2020. As a result of this exercise, **we are pleased to inform the Committee that all £98.4m of Local Growth funding is currently fully allocated and due to be delivered by 31 March 2021.**

### **Dorset Growth Deal – Q3 Programmatic and Financial Analysis**

As of 5 January 2021, Dorset LEP recorded a total spend across all partners of £1.35m. Dorset LEP anticipates receiving invoices for further £5.2m for Q3 by the end of January 21, with additional £9.8m to spend in Q4. The Committee will be updated on the final Q3 spend at the 2<sup>nd</sup> March meeting following the reconciliation of Q3 in early February.

### **Positive updates:**

Since the beginning of the year, a number of projects as part of our two largest transport infrastructure projects, Port of Poole and BIG Programme, were reported as high risks to Dorset LEP for a variety of different reasons. We been therefore been monitoring their progress closely and fortunately these projects are back on track, progressing well, on time and on budget. Although projects such as FWP Corridor and Boundary Roundabout still have risks due to unknowns such as potential future weather conditions, we are very pleased with how these projects have been delivered over the past few months to de-risk their schemes and turn them to green.

### **RECOMMENATION:**

**The Committee notes the Growth Deal financial update, including risks identified.**

### **Recently Closed Projects – End of Project Reports**

The projects below have now submitted their End of Project Reports. You can read about the success of the projects and future projected outcomes on our Dorset LEP website.

- **BCP Council - [Holes Bay](#)**
- **AECOM - [SEDUMS](#)**

## **B) GETTING BUILDING FUND**

The projects identified below were approved by the LEP Board for the Getting Building Fund in July 2020 and were subsequently approved by Government for the £11.8m fund. The table below outlines the recent portfolio.

	Name of Institution	Project Name	Amount Awarded
1	Kingston Maurward College	University Centre and Rural Business Development Hub	£3,500,000
2	Poole Harbour Commissioners	Public Trade Office	£950,000
3	University Hospitals Dorset NHS Foundation Trust	Clinical Trials Unit	£497,397
4	Bournemouth and Poole College	Network Infrastructure	£689,600
5	Weymouth College	Higher Education Centre	£250,000
6	Poole Harbour Commissioners	Border Control Post	£1,216,792

7	Dorset NHS Clinical Commissioning Group	Long term condition remote management of hypertension	300,000
8	AECC University College	Integrated Healthcare Centre	2,700,000
9	Dorset Council	Fibre Hub Connectivity in Rural Dorset	£1,696,211
<b>TOTAL FUNDING REQUEST</b>			<b>£11,800,000</b>

### C) DORSET GROWING PLACES FUND

**Annexes 3 and 4** provide high level overview of Growing Places Fund projects. For more information on programmes/projects that have not had any significant change since the last report, are not high risk or require an approval/recommendation from the Committee, please see these annexes. Any projects that require the Committee's attention, are high risk or had significant change since the last report are identified in the text below.

#### **Growing Places Fund Financial Overview**

To date, the Fund has invested into 11 projects, 10 of which are loans and 1 is a grant. As of today, 6 projects were completed, and loans repaid. There are currently 4 outstanding loans.

#### **UPDATE ON ON-GOING PROJECTS**

##### **Ultrafast Broadband (grant) – Dorset Council**

In 2017, Dorset LEP awarded £2m grant to Dorset Council for the delivery of the Ultrafast Broadband project. This project has been reported as red risk for delivery/time since September 2018. While still behind the original programme, over the last 3 quarters, the project has seen an increase in delivery of premises and has been de-risked to amber risk.

A total of 3270 premises have now been fully delivered to Customer Ready for Service (CRFS). This is out of an overall contractual delivery of 3856 premises. Field work has not been affected by Covid-19 and the delivery for the initial contracted build of 2960 THP are now complete with no outstanding snagging issues. The completion of the full build is subject to approval by Openreach of the final amended contract change request no 98 (CR98), talks between BDUK and DC have finished now and DC are waiting on the final version to be sent to them, this is expected imminently.

While the premises are not fully complete yet the sites covered by the contract are now 100% complete. Once the final version of CR98 is complete DC will have to submit a change request to re-profile Dorset LEP funding to align the remaining funding allocation with the project changes. In addition, the change request will need to request an extension to the current grant agreement end date of March 21 as complete drawdown of remaining funds will now not be possible by then. It is anticipated that a year extension will be requested to take the agreement up to March 2022. Dorset Council will submit this change request by the 21<sup>st</sup> December.

Update on key Dorset LEP sites under this contract:

- Dorset Innovation Park - site is fully complete.
- Aviation Business Park - site is fully complete.

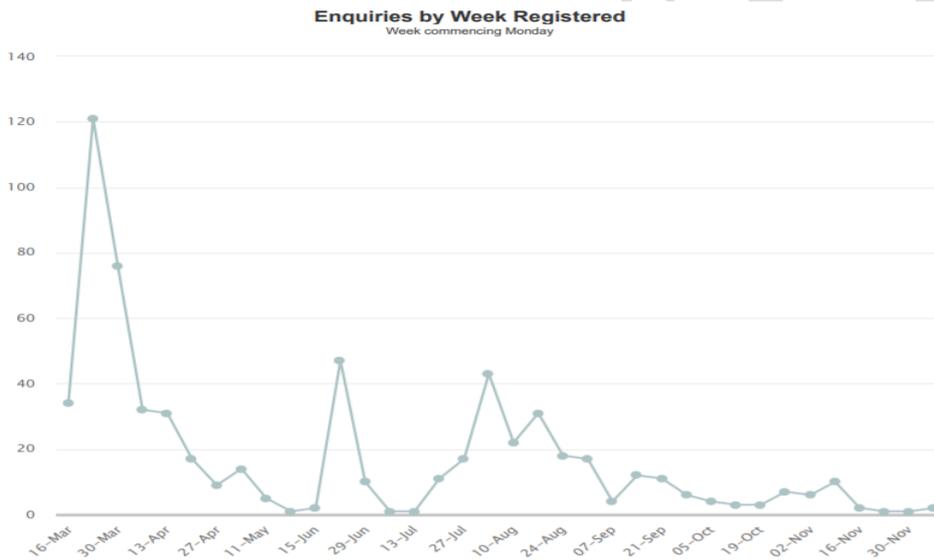
## D) DORSET GATEWAY

An overview of business engagements recorded for the period between 1 April 2018 and 30 November 2020 is presented below in **figure 1**.

Engagement Level	2018/19		2019/20				2020/21 (year to 30 September)		
	No. Businesses Engaged	Target	No. Businesses Engaged	Target	Progress against target	Progress against target	No. Businesses Engaged	Target	Progress against target
Light touch	679	600	113%	1,099	900	122%	820	800	103%
Medium intensity	219	120	190%	483	180	268%	242	150	161%
High intensity	55	60	92%	85	90	94%	35	50	70%

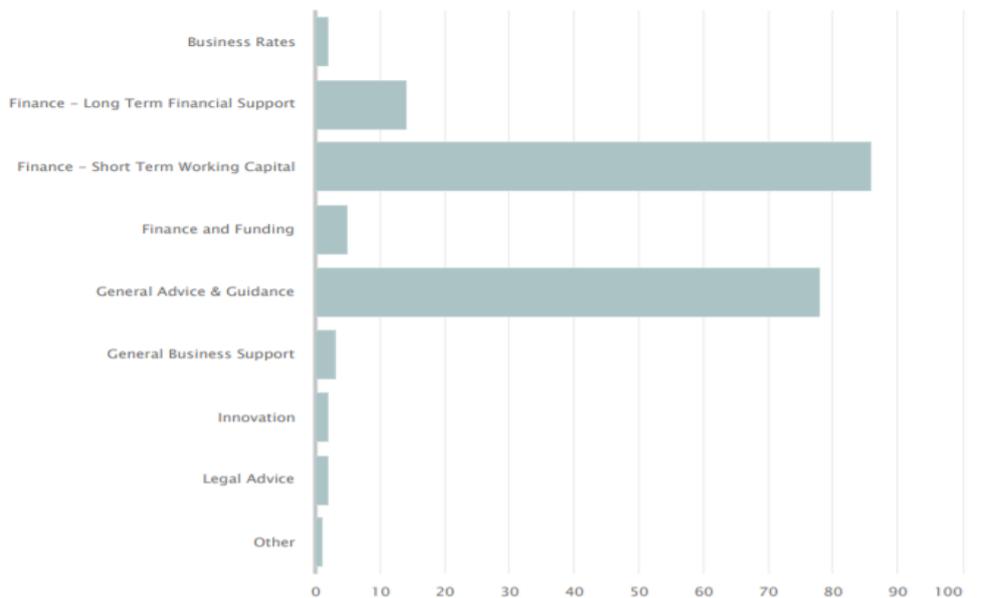
**Figure 1:** Business engagements by intensity for period 01/04/18 – 30/11/20.

Since the start of the first lockdown on 23 March, there have been just under 600 individual COVID-19 specific enquiries made into the Dorset Gateway. These figures represent individual contacts and do not include any subsequent calls that businesses might have made.



Enquiries regarding COVID-19 support have perhaps unsurprisingly focussed around finance and general advice and support.

**Enquiries by Support Options**



**Social Media/Website Activity**

Page	Unique Page Views			
	Q1 20/21	Q2 20/21	Q3 20/21	Q4 20/21
Dorset Gateway Landing Page	118	167	64	-
Finance and Funding	105	178	149	-
Skills and Training	31	46	25	-
Bid Writing	39	42	17	-
Support Services	7	17	8	-
Misc. (testimonials and articles)	4	21	-	-

**Figure 4:** Website – unique page views.

During July, August and September there were 132 LinkedIn posts, attracting 23,010 impressions. There were also 26,659 Twitter impressions from 73 posts.

**COVID-19 Business Support**

We have continued to run and promote a number of COVID-19 related schemes aimed at supporting businesses, including but not limited to:

- We extended support to respond to the challenges posed by COVID-19 in the form of additional business advisers to share news, engage and handle business enquiries.
- We have also commissioned 40 one-to-one business health checks through three local accountancy and growth advisory firms.
- We have commissioned a supply chain resilience study which aims to better understand which sectors are likely to be affected by potential supply chain disruptions. This will help to inform local policymaking and drive deeper engagement with businesses and will be presented to the BG&I Committee in March before it is more widely published.

**Peer Network Programme:** As reported previously, in the summer, we secured £165,000 of grant funding from the Department for Business Energy and Industrial Strategy (BEIS), to run a Peer Networks programme in Dorset. The Peer Networks programme will see the creation of a series of peer network groups (cohorts), with each group consisting of 8-11 directors or managers

from Dorset's SME business community. Sessions will be led by an experienced facilitator utilising the action learning methodology – a proven and highly effective way of running peer networks.

Dorset LEP has received initial funding from the government to support 120 participants and we are working with a range of experienced and proven organisations to deliver this support between up until March 2021.

Following an open, competitive tendering process, three external providers we're selected to deliver the programme in partnership with Dorset Gateway. These providers are:

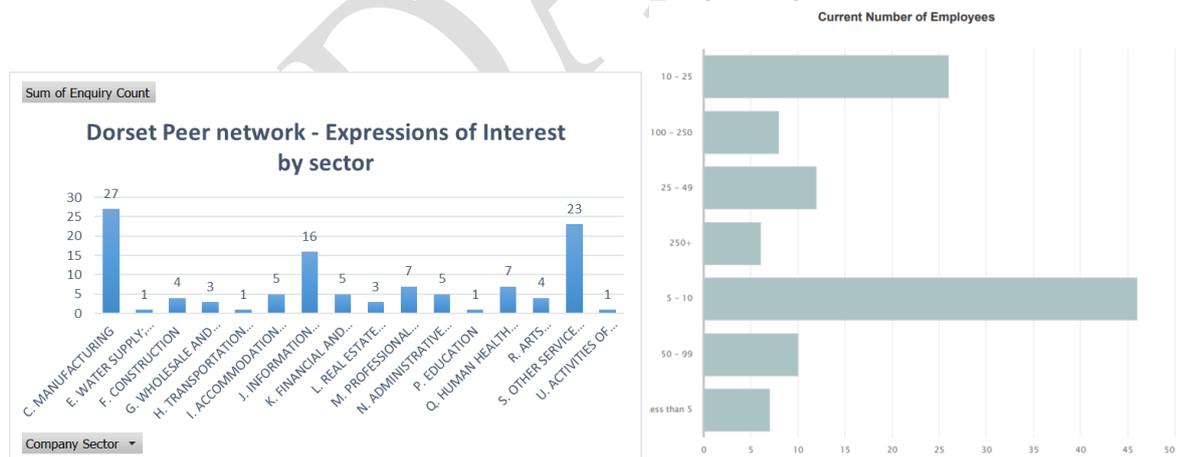
- Dorset Chamber of Commerce;
- Evolve; and
- CIRCLE Leadership.

Peer Networks is designed for business leaders who want to grow and develop their organisation for future success. Leaders and senior managers from Dorset's SME business community who meet the eligibility criteria below have been invited to register:

- Operated for at least one year;
- At least five employees;
- A turnover of at least £100,000; and
- An aspiration to improve business output.

Ideally, these businesses will also demonstrate the ability and ambition to scale-up and/or export, or will be exporting already. Following a very successful recruitment campaign with the delivery partners, we have nearly allocated all spaces onto the programme and will be in a position to start running the sessions from early November, placing us well ahead of many other LEP areas.

Following a successful recruitment campaign, a total of 139 businesses registered for the programme, with 129 enrolled on the programme; nine more that we are contracted to deliver. Of those that registered their interest in the programme, more than a third were from smaller SME business leaders and nearly a quarter were from growing/scale-up sized businesses.



As part of the funding agreement, we are required to provide regular updates and programme monitoring reports to government. We have been eager to communicate the progress that we have made in establishing this programme so quickly along with our contracted delivery partners. In doing so, our efforts – along with four other areas - have been recognised by the team coordinating the programme on behalf of the government. As such, we were invited to share our approach as part of a national event with other growth hubs. We have also put forward eight programme participants to speak with the national coordinating team as part of a national marketing campaign.

For more information about the programme, visit: [www.dorsetlep.co.uk/peernetworks](http://www.dorsetlep.co.uk/peernetworks)

### Bid Writing Support Service

Our funded Bid Writing Support Service (BWSS) has continued to be popular and has enjoyed a fantastic level of success so far this financial year. The four businesses that successfully secured funding (a total of £190,000) as part of the COVID-19 response were up against a huge number of other applications; there were 8,600 applications to this competition in the UK with only a 10% success rate. This clearly demonstrates that Dorset Gateway's BWSS can significantly improve a company's chance of winning this type of highly competitive competition.

In addition to these successes, the service has also helped three further businesses secure grants totalling more than £345,000 through the government's Sustainable Innovation Fund.

**Background:** The BWSS was introduced in June 2018 after it was identified that the south west was the region that received the lowest amount of Innovate UK grant funding in England – around 7%. Of that figure, Dorset businesses were receiving the smallest proportion of the funds that were coming into the south west region. To address this, Dorset LEP backed an investment into establishing a funder bid writing service.

**Impacts:** Since its inception, the service has provided over 1,000 hours of funded bid writing support directly to more than 50 businesses. Furthermore, the service has been a feature at 10 regional events/workshops, including two national One Health conferences, run a series of podcasts and published bid writing blogs. All of this activity has helped to attract the attention of other LEPs and colleagues at BEIS – as well as other government departments such as the DIT and DEFRA. The service has also leveraged funding and support from the likes of the SETsquared Partnership, the National Oceanographic Centre and the four national agri-centres. This activity has resulted helping businesses secure more than £1.9m of competitive grant funding.

*"...to be offered the chance to take up the SMART grant is a significant step forward. We have, kept going for 5 years without any remuneration and it has been a struggle with patent payments etc., but now finally! We can't thank you enough for your expertise and guidance."* Alan Rallings, Cyclopic.

**Context:** Based on a Freedom of Information request submitted to Innovate UK, between the start of April 2020 and 30 September, there were 68 applications where the funding decision were known and the lead applicant was in the Dorset LEP region (based on the applicants registered address). Of these, 13 had been successful in securing grant funding. From the 35 Expressions of Interest received by the BWSS during the same period, 11 have were taken through to submission, of which four were successful in securing grant funding, totalling just under £200,000.

Grant wins	Fund	Amount	Year
BCP Council: BB2 Application	Business Basics	£ 240,000.00	2019/20
Cyclopic	SMART	£ 460,000.00	2019/20
Cropdesk	COVID	£ 49,845.00	2020/21
People Matters	COVID	£ 49,703.00	2020/21
Sourcing Playground	COVID	£ 42,088.00	2020/21
Famiio	COVID	£ 49,000.00	2020/21
Diary Zapp	Sustainable Innovation Fund	£ 93,799.00	2020/21
Cropdesk	Sustainable Innovation Fund	£ 160,000.00	2020/21
Carbon Cut	Sustainable Innovation Fund	£ 88,898.00	2020/21
		<b>£ 1,233,333.00</b>	

**Figure 5: Bid Writing Support Service successes**

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## **E) DORSET INNOVATION PARK**

The Dorset Enterprise Zone Committee acts as a 'strategic board' for the Dorset Enterprise Zone. The Enterprise Zone Committee which met in October 2020 has the primary aim of unlocking opportunities for additional investment and growth of Enterprise Zone sites (and concurrent generate business rates growth return). The Committee will facilitate realising the potential of the site which includes up to £30m of retained business rates alongside the ability to support business relocation, growth and expansion. This includes job creation and ensuring Dorset remains an attractive proposition for business.

The Committee is concerned with setting and overseeing the strategic direction of the Enterprise Zone as well as the overall management of the Enterprise Zone programme. It will receive regular reports for each meeting from the landowner with regards to progress.

Future areas of work which the Enterprise Zone Committee will cover include ensuring delivery of the project, establishing measures of success, clarity on roles and responsibilities, alignment with the Local Industrial Strategy and Investment Prospectus, strategic ambition and the inward investment pipeline.

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## **F) CAREERS AND ENTERPRISE COMPANY – CAREERS HUB**

The Dorset Careers Hub 2020/21 launched on the Thursday 8th October and has been driving forward careers education for young people across Dorset. The 2020/21 programme includes 75 secondary schools, colleges and SEND establishments so the diversity moving forwards offers considerable challenge. Differences in the types of institutions and also the different stages they have reached in their careers education and advice present a range of different hurdles to overcome. The Hub Steering Group has targeted funding to encourage and support in order to allow the new entrants to the programme to catch up with the original 34 schools and colleges that were in the programme.

The Careers and Enterprise Company released the platforms for Primary School activities. We are aiming to trial this in Weymouth and Portland in the coming months. It results from experimental programmes delivered in the south-west. Once the programme is fully shaped, we will consider a resourcing plan to support the project.

The staffing to support the main Careers Hub programme is complete, but with a recruitment to replace a departing team member currently advertised. Contracts working with both Local Authorities are live, which include commitments to salaries.

The range of projects to be delivered in the coming academic year includes a plan to deliver 10,000 virtual work experience placements, in addition to plans for virtual careers fair and exhibitions, promoting industries and companies from the local economy. School projects supported by the Central Hub Fund of £72,000 have been bid for, and we are currently allocating the funds to providers. In addition, up to £35k fund will be invested to assist schools who are new to the network. We have also selected 5 lead schools that will contribute to projects and disseminate best practices through their networks of head teachers and senior leadership teams.

Whilst the circumstances in schools have been difficult, with the return to school of pupils in a Covid Safe environment the core activities of the Careers Hub have continued through video conferencing and use of the national products provided by the CEC through web links. Most schools have demonstrated commitment and engagement in the programme, however

further engagement work with some schools will be undertaken in January to ensure full engagement and positive outcomes for young people across Dorset.

### **Skills Programme**

The Skills Board has collated investments that need to be made in programmes/projects in the future to address the skills gap that will need to be tackled in the coming years. The results have been fed into the creation of the Investment Prospectus of the Dorset LEP and give shape and form to the programmes of activity required in the future.

Work continues with monthly updates to the Local Market Information, delivery of workshops for the DWP/JCP job coaches and DLEP Careers hub team. The statistical base is beginning to have traction with several partners and whilst originally prepared in order to support the Careers and Enterprise Programme in Schools, is currently being reviewed to feed into the work of the Business Gateway. In 2020 the LMI reports have been an important visual reflection of the changes in the jobs and skills requirements as the Dorset economy reacts to Covid-19 challenges. The reports focus on those industries that are key to the success of the Local Industrial Strategy and give support to young people and the those finding themselves unemployed by identifying those 'Pathways into Work' that are so key to a successful employment.

DWP continue to feed into the Skills Advisory Panel and Board, as well as into the operational DLEP delivery team, and have a range of measures to offer assistance to those who are unemployed. DLEP will be looking to respond to the Fuller Working Lives expression of interest due to be published next week, seeking to support those at mid-career stage via their employer, increasing employability and supporting business with skills updates. In addition, the team are working with the Dorset County Hospital looking at the Health Foundation funding to assist with the levelling up of general health in deprived areas of Dorset. With health being the largest employment sector in Dorset, ensuring we are supporting with skills provision at all levels is a key requirement.

In January 2021 we are required to complete the DfE Local Skills Report, with full data analysis and reporting on the DLEP Skills Actions Plan and activities across the county. The SAPB contribution is critical to the success of skills across Dorset, and this report is our demonstration to the DfE of the vital work being undertaken by public and private providers to be the benefit of the population of Dorset.

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