**Stoke on Trent & Staffordshire Local Enterprise Partnership**

**Report of the Programme Assurance Group**

**28th May 2019**

**CDGD Programme – Project Update Highlight Report**

1. **Ceramic Valley Enterprise Zone (EZ)** – RAG Status: **GREEN**
   * Please see separate Ceramic Valley Quarterly Report, **April 2019**
2. **Stoke-on-Trent District Heat Network (City Deal)** – BRAG Status: **GREEN**

* Framework setup for the purchasing of DHN pipes and ancillary equipment – tender in progress
* Framework setup for the purchasing of DHN pipes and ancillary equipment – tender complete April 2019
* Tender documents produced for next stage of works, tender went live w/c 15th April.
* Mini Competition ran through Stoke DEPO Framework to appoint Mechanical Designer for next phases of work – contract documents being produced - May 2019.

1. **Keele Smart Energy Network Demonstrator (City Deal)** – BRAG Status: **GREEN**

* Horwood Energy Centre - Phase 1 construction works complete; phase 2 construction works commenced. This second phase of construction will also include the conversion of an adjacent area for business engagement.
* All 16 RD&I 3 Year Projects have now been recruited for and are ‘Live’.
* Quarterly meeting held with Staffordshire University and DRM Technic to align expectations for RD&I Project.
* SEND Annual RD&I Conference was held on 30th April, excellent feedback has been received regarding the event.
* 5 three month projects have now been developed, advertisement for the roles will begin in Q3 2019.
* The Supply Chain Development Programme (delivered by Stopford) have delivered business/innovation support to 74 SME’s within the SSLEP area, with a strong pipeline for the following month.

1. **Adult Skills Budget Pilot (City Deal)** – BRAG Status: **PROJECT CLOSED**
   * Closure report presented to Executive Board 14/05/19 for review. Activities have now been subsumed into the wider skills provision review, which takes into account the Pilot activities and Post 16 area review.
2. **Etruria Valley** – BRAG Status: **RED**

* The final Business Case was to be submitted to DfT in June 2019 – this has now been delayed to September 2019. The dates below have also slipped by 3 months.
* Formal land negotiations have begun with the three key land owners.
* Determination of the planning application will be July 2019.
* The main site works are expected to commence in December 2019

*Note: A detailed delivery plan has been requested to confirm that the scheme is still able to spend the £8m allocated by SSLEP within the funding agreement timescale – this should be received in time for the Executive Board meeting on 20/06/19.*

1. **Stafford Western Access Route (SWAR)** – BRAG Status: **AMBER**

* CPO and SRO have been confirmed by Secretary of State for Transport (30th August 2018) - subject to no objections within next 6 weeks (Notice to treat served on SBC and Madford Retail Park Businesses early March 2019)
* Saint Gobain Building substantially complete at Redhill – transfer expected October 2019
* SWAR Target Cost Agreed Value £31,176,771.00
* SCC Cabinet approved Target Cost and award Contract through I+ at Cabinet Meeting 17th April.
* Contract Award planned for 24th May 2019
* Commissioned Castletown and Madford Retail Park Pre-Commencement Building, Noise and Vibration Surveys
* Awaiting final design and C4 estimates for WPD, Gas and STWA (Foul Sewer)
* Issued Construction Documents on 17th May 2019
* On-going application to discharge pre- commencement planning conditions 2a, 3, and 4 on 15th April 2019
* Arranged first Madford Retail Park Forum on 24th May 2019
* Held Castletown Residents Association Update meetings on 30th April 2019 and 15th May 2019
* Attended Stafford Town Centre Partnership Meeting on 16th May 2019
* Pre-start public event planned for 3rd June 2019 between 2pm -7pm at Conservative Club Castle Street
* Approached Aviva land agents for Madford Retail Park to discuss agreement of planned accommodation works
* Completed design of temporary mini roundabout access

1. **Meaford Major Employment Site** - BRAG Status: **BLUE**

* Jobs have now started to be reported: **60 jobs safeguarded and 20 new jobs** created in April

1. **Branston Locks, Burton (Phase 1)** - BRAG Status: **BLUE**

* SSLEP Growth Deal Investments are now complete. Onus is now on developer to bring site forward for employment, residential and commercial uses.
* Cameron Homes is now on site building out the development (date for first completions and show home TBC) and is marketing the site as “Lawnswood” <http://cameronhomes.co.uk/coming-soon/lawnswood> **20 units** have now been completed and 8 further units are part built.
* Taylor Wimpey is now marketing the site at “The Coopers” <https://www.taylorwimpey.co.uk/find-your-home/england/staffordshire/burton-upon-trent/the-coopers> site preparation works are due to be completed in June 2019 – and housing completions due to follow.
* Delivery of around 200 units at the northern end of the site (accessed via Shobnall Road) expected from mid to late 2020 – currently in legal discussions
* Delivery of 157 units due to commence in early 2020 – currently in legal discussions
* Delivery of phase of units (155) currently in negotiation – anticipated delivery from mid 2020
* CONFIDENTIAL - Progress update from Nurton Developments on commercial development, intention to commence speculative development (230k sq ft) by end of 2019, site is attracting strong interest from a local brewery company for a HQ operation and warehousing requirement.
* CONFIDENTIAL – Strong interest from 2 further end users for design and build requirements

1. **Lichfield Park** - BRAG Status: **BLUE**

*No changes reported this month*

* + SSLEP investment is complete (since January 2016).
  + Section 106 agreement now agreed and signed
  + Stoford developments and Liberty Property Trust have started on site with the construction of 163,000 square feet (115,000 + 48,000 sq. ft) development of 2 units to be built out speculatively (commenced 11 Feb 2019), Practical Completion is due Q3 2019.
  + SCC, SSLEP and Stoford comms teams worked together to identify PR opportunities to mark the commencement of the build with an event on 18th February 2019

1. **Bericote Four Ashes Ph1 + Ph2** - BRAG Status: **BLUE**
   * Outputs achieved to date:
     + 800 jobs safeguarded/created by Gestamp
     + 467 jobs on Gestamp site at present (actual Feb 2019)
     + 450,000 square foot building completed October 2017 and let to Gestamp
     + Traffic Light Controlled Junction to A449 (T) completed November 2017
     + Gravelly Way Access Road Improvements (approx. 1km) – completed June 2016
     + 450,000 sq ft First Pannatoni and 37,000 sq ft Gateway buildings completed November 2018 – awaiting end user
     + 37,000 sq foot Gateway building let to Haulotte
   * “First Pannatoni” building is now complete and a successful property marketing event held - 450,000 square feet speculative building now available for immediate occupation.
   * Building has been attracting a number of enquiries, however a firm investment has yet to be confirmed (the developer has a portfolio of sites across the UK and there is some evidence of stalling of investment decisions as a consequence of continued Brexit uncertainty) – SCC is in dialogue with the developers agents and is actively promoting it through any relevant inward investment enquiries via the “Make It” team
   * French owned aerial platforms manufacturing company Haulotte has agreed to let the 37,000 sq. ft Gateway building on a 15 year term. Number of jobs and occupation dates are tbc. SCC and SSLEP will work to mark the occupation with relevant PR activity
2. **AME Skills Hubs Phase 2** – BRAG Status: **PROJECT CLOSED**
   * A project closure report was submitted to the Programme Assurance Group (6th February) and to the Executive Board (17th April 2019).
   * More detail is to be requested, to inform LIS work.
3. **Local Sustainable Transport Package (LSTP)** – BRAG Status: **GREEN**

SCC:

* + 16.662km of cycle route delivered through the LSTP scheme.

SoTCC:

* + *No changes reported this month*

1. **Tamworth Enterprise Quarter** - BRAG Status – **GREEN**
   * Business Enterprise Centre facilities fully occupied, utilisation: 21 business tenants, currently employing 67 people; 22 virtual tenants; 3,205 trainees attended Training organisations events. The most noticeable change has been a substantial increase in the use of the Meeting Rooms in the Enterprise Centre, increased used of the Virtual Tenant facility and successful tenants moving out to larger premises to be replaced by new / smaller businesses.
   * Assembly Rooms: complete outer skin of building, May 2019
   * Carnegie Centre: market site as restaurant and research Enterprise Centre option - Library and public realm - Public Realm & Library – continue Library works and start Public Realm works – June/July
2. **Friarsgate, Lichfield** – BRAG Status: n/a

* Scheme has been withdrawn.

1. **Rugeley Town Centre Improvement Package** – BRAG Status: **BLUE**
   * Construction is complete and it is now a formal flood defence
   * Liaising with EA and CCDC to identify housing / jobs outputs resulting from completion of flood defence work
2. **City Centre Access** – BRAG Status: **AMBER**
   * Marina Way, Outline Design Complete, Planning Application registered, design approval by Highway Authority ongoing.
   * Station Road / Leek Road junction, Proposals for the University and College frontage as part of the road widening scheme have been submitted. Heads of Terms to acquire the required land for the scheme have been submitted to the Sixth Form College, and Stafford University. The College has commissioned an independent land valuation.
   * Station Quarter Phase 2 – improvements to footpaths. Highway works complete. Landscaping including tree replacement Works tbc.
   * Works to Winton Square are now being considered as ‘Station Quarter – Phase 3 – Winton Sq. & HMV Mitigation Measures’ The start on site has been delayed and the delivery of this project is under review. No further monies will be reclaimed from the LEP for Winton Sq at this current time.
   * It has been agreed that the Sotcc match contribution of £500k shown to be expended in 2018/19 will be deferred in to the current year 2019/20. The required total spend for 2019/20 as per the Legal Agreement is £7,960M. Total claimed to date (March 2019) is £4,708M, requiring £3,252 spend for 2019/20, and £1,850 spend for 2020/21.
3. **Hanley – Bentilee Link** – BRAG Status: **AMBER**
   * Revised City East Link Road (CELR) business case is scheduled to be re-presented to the PAG June 2019
4. **Spode Church Street Phase 2** – BRAG Status: **GREEN**
   * Arts Council have approved initial application
   * Arts Council have now approved full application and funding has now been awarded
   * Community Investment Fund approved funding for project
   * Architect producing drawings for ACAVA approval

Priorities for Next Period

* + Design freeze.
  + Planning submission
  + Prepare Tender Documents

Note: a revised delivery plan has been submitted 20/05/19. John Devlin feels that the information supplied appears to be consistent and achievable. (In reality the end-stop date is the end of the fund availability, namely March 2021). RAG status de-escalated to GREEN. (*However, the funding legal agreement will probably have a specific earlier date mentioned so the Legal team may have to issue an amendment to reconcile the revised delivery date - i. e. Date for Completion*)*.*

1. **ROF Featherstone Strategic Employment Site** – BRAG Status: **SCHEME WITHDRAWN**
2. **Keele Smart Innovation Hub** – BRAG Status: **GREEN**

* Construction is progressing and additional labour resource is in place on site
* IT, AV and FFE tender procurement awards, and equipment installation, on target for completion
* Continued work stream planning for operation and occupation of the building.
* Occupancy plans developed and agreed
* M&E installation now has additional allocated resource to ensure deadlines are met
* AV procurement – all tenders returned and being evaluated; award by 7/6
* IT procurement – all tenders returned and being evaluated; award by 7/6
* FFE procurement – all tenders in by 28/5; evaluate and award by 13/6
* Marketing and letting agreed in principle with Staffordshire County Council
* The handover and commissioning programme has been issued by main contractor
* Delivery of leadership programme commenced 9/5/19 (will be delivered in SIH from September)
* Latest planned Project Executive Group (PEG) governance meeting took place 10/5/19
* Installation of (temporary) IT equipment to facilitate project commissioning programme, by 10/6/19
* Duct work for fibre cabling to be installed directly to both KBS and IC6 Network Transfer Rooms
* On-going review of project Strategic & Capital risk register
* Planning for operation and occupation of the building is continuing, including the decant of the Keele Business School
* First incubation tenants progressing through recruitment process

1. **Skills Capital Equipment Fund** – BRAG Status: **AMBER**

* SEF R1
  + - skills equipment in place for all 4 projects, full grant payments made. Total grant £1.11m, match £1.48m
    - Staffs Uni – Full project spend. All equipment in place bar a few small items, awaiting details of project launch.
    - SEF R2
    - skills equipment in place for 1 project, balance equipment for 2 projects due 1st qtr. 19/20. Total grant issued to date £933k, match £933k, balance £268k grant, £268k match.
    - Project launches scheduled May to July 2019, SSLEP engaged.

1. **ROF Featherstone** – BRAG Status: **BLUE**

* Completed, all LGF expenditure has been concluded
* The ROF Featherstone Strategic Employment Site scheme will continue to progress, but outside of the LGF timeline

1. **Chatterley Valley West Site Access** – BRAG Status: **BLUE**

* Completed, all LGF expenditure has been concluded
* Outputs will be claimed within the Ceramic Valley Enterprise Zone deliverables

1. **Economic Regeneration Programme** – BRAG Status: **BLUE**

* Completed, all LGF expenditure has been concluded
* Outputs will be claimed as part of the overall Growing Places Fund deliverables

1. **Redhill Business Park** – BRAG Status: **GREEN**

* A 2-acre part plot at the front of Plot 1 is being developed with a potential client identified; up to 140 jobs could be created (total to date 17 jobs)

1. **Keele Innovation Centre No. 5 (IC5)** – BRAG Status: **GREEN**

* There is strong interest in the remaining lettable areas, forecast a further 120 jobs to be created
* Q4 2018/19 – **33** new jobs reported(101 in total for this building)

1. **i54 South Staffordshire Employment Site** – BRAG Status: **GREEN**

* i54 South Staffordshire is currently around 90% built out; identified potential 130 additional jobs from remaining lettable area

1. **Lichfield Southern Bypass Phase 3** – BRAG Status: **GREEN**

* Following a successful bid to the National Productivity and Investment Fund, a planning application for the Phase 3 works is now being prepared
* GBSLEP have awarded a £2,300,000 LGF grant, the preliminary work (building the haul route) was scheduled to commence January 2019
* As SSLEP contribution was minimal, outputs will be claimed by GBSLEP

1. **SME Expansion Support Programme** – BRAG Status: **GREEN**

* Approval has been granted for the GPF Programme to invest in the following projects in 2017/18, 2018/19 and 2019/20:
  + Garden Inn Hotel, GenR8, City Centre. Stoke on Trent
  + Dunston Business Village Phase 2, Dunston. South Staffordshire
  + Oak House Residential Care Home, Fenton. Stoke on Trent
  + Omicron Service Centre, Redhill. Stafford
  + Etruria Valley Enterprise Area, Stoke on Trent
  + Bericote Phase 2 Underwriting. South Staffordshire
* Outputs will be claimed as part of the overall Growing Places Fund deliverables

1. **Churnet Works small business units** – BRAG Status: **AMBER**

* Talks are ongoing with the developer re a revised specification, costing and site plan. LEP should note, that job outputs would be expected to remain the same for the units as per business case, but clearly the wider jobs generated through the hotel and retail units will not come forward in the short term.
* The project has been listed as amber (at risk) until we have received confirmation of revised costs following re-positioning

**NEW SCHEMES**:

The 3 new business cases recommended by PAG on 26/03/19 were submitted (with additional information/clarification as requested by PAG and circulated to PAG prior to submission of the business cases to Executive Board) to Executive Board on 17/04/19. All three schemes were **approved** for LEP funding by the Executive Board. Funding Agreements will be prepared in due course by the Legal team. The schemes to be progressed are:

* **Victoria Ground Phase 2**
* **Stoke-on-Trent Railway Power Upgrade**
* **Stafford Gateway land acquisition**

A fourth new scheme was recommended by PAG (via electronic process 08/05/19) and subsequently approved by Executive Board on 14/05/19. Funding Agreements will be prepared in due course by the Legal team. The fourth scheme to be progressed is:

* **Blythe Park Extension infrastructure project**

**Reallocation of the £1.5m funding withdrawn from ROF Featherstone:**

An SPMG meeting on 22nd May 2019 agreed a provisional allocation of the unallocated funds to the following schemes: -

* £1.2m to the Stoke Flood Alleviation scheme (against request of £1.4m)
* £0.260m to the Cannock and Silverdale Enterprise Centre extension project (against request of £0.340m)

Contact has been made with each of the scheme promoters to confirm the reduced proposed allocation will not jeopardise the viability of the schemes or the proposed outputs. Both of the schemes have confirmed that the reduced offer will not impact on the viability or expected outputs of the schemes. **These schemes will be taken to Executive Board on 20th June to request approval of the SPMG recommendation to allocate funding**

Note: **BRAG status** refers to LEP investment and construction / delivery status:

* Blue = investment and construction / delivery completed
* Red = major concern that scheme cannot be delivered on time and / or on budget, subsequent benefit realisation unlikely to me achieved
* Amber = scheme progress in delay, causing LEP investment and / or construction to be behind agreed schedule, with detrimental impact on subsequent benefit realisation
* Green = scheme on track, no current concerns on deliverability and / or investment