

20<sup>th</sup> May 2019

**Local Growth Fund Programme MHCLG DELTA Dashboard Monitoring Return - Quarter 4  
2018/19**

### **Purpose of Report**

This paper presents the Local Growth Fund Quarter 4 update in the form of the 2018/19 DELTA Dashboard monitoring form, seeking approval to submit the return to the Ministry of Housing, Communities and Local Government (MHCLG) prior to the 24th May 2019 deadline.

### **Thematic Priority**

Secure investment in infrastructure where it will do most to support growth.

### **Freedom of Information and Schedule 12A of the Local Government Act 1972**

Under the Freedom of Information Act this paper and any appendices will be made available under the Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

### **Recommendations**

The LEP Board are asked to:

1. Consider and approve the formal submission of the Q4 2018/19 DELTA Dashboard to MHCLG.

## **1. Introduction**

- 1.1** DELTA is the method for reporting quarterly performance information regarding the Growth Deal to the Ministry of Housing, Communities and Local Government (MHCLG). There is a requirement that the DELTA Dashboard be signed off by the LEP Board or Chief Executive and Section 73 Officer prior to its submission. Each quarter the LEP Board are provided with an update of the LGF programme position and ordinarily asked to sign off the DELTA dashboard.
- 1.2** At the time of the composition of this report, some projects have not provided Q4 updates regarding performance information. Consequently, the skills and jobs created outputs have the potential to increase prior to the submission of the DELTA dashboard to MHCLG. Any such changes to these figures will be reported in LEP Board either verbally on 20 May 2019, or in an update to the subsequent meeting on 8 July 2019.
- 1.3** This report presents the Q4 2018/19 DELTA return for sign-off, which is due for submission to MHCLG by 24th May 2019.

## 2. Proposal and justification

### 2.1 DELTA Dashboard

The DELTA Dashboard is comprised of four key sections:

**Deliverables Progress** - This section identifies forecast and actual rates of outcomes delivery, and includes housing, jobs, skills and transport.

**Financial Progress** - This section identifies forecast and actual rates of LGF spend, other funding spend, and total contractual commitments associated with this project spend.

**Project RAG Rating** - This section utilised MHCLG's own RAG rating criteria for delivery, financials and reputation and presents a single RAG indicator based on the outcome of all three elements for each project. Ratings are tracked against previous quarters to allow trend analysis. An overall RAG rating is also generated for the programme, based on the individual project RAG ratings.

**Commentary** - A free text box to provide highlight commentary on the dashboard.

At the time of writing the report there were a small number of Q4 returns outstanding and therefore the final actual outputs position may be slightly higher than the figures reported. Any output returns received before the MHCLG submission deadline is proposed to be included within the Q4 returns and work will continue with promoters to ensure that future reporting comprehensively captures all outputs being delivered.

### 2.2 Deliverables Progress

#### Housing

Although 73 housing outputs were reported during Quarter 4, this was still not sufficient, when combined with previously reported outputs for the year, to achieve the projected total target for 2018/19, with a shortfall of circa 63% or 234 Housing Units. This shortfall is primarily due to the slippage in the start of a large infrastructure project, which is anticipated to deliver a significant number of housing outputs, albeit the units will follow the delivery of the road hence the profile of planned outputs will need to be updated.

Additionally, there are ongoing discussions with one scheme promoter which have completed housing numbers but not yet reported targets which could improve the position before the DELTA return is submitted.

As previously reported discussions are also continuing with MHCLG regarding the present definition of housing outputs, with the aim of ensuring that the achievements of the SCR LGF programme in this area are adequately captured and recognised through DELTA reporting.

### 2.3 Jobs

There was an upturn in Q4 for employment outputs, with 1,558 jobs created during the quarter. This improved performance, combined with delivery from the previous three quarters, meant the programme was ultimately able to slightly exceed its 2018/19 annual target for job creation, delivering 4,465 outputs against a target of 4,440.

### 2.4 Skills

Following some previously reported issues with data collection for Skills outputs from promoters, this quarter saw a significant amount of this missing information returned, with a total of 1,865 new learners reported as assisted in Q4. Combined with previously reported outputs for the year, this bring the total number of new learners assisted to 2,622 for 2018/19, significantly exceeding the annual target of 1,385.

### 2.5 Financial Progress

The MHCLG dashboard financial figures differ from the LGF capital programme spend profile as the dashboard includes the £4m cap/rev swap in the 2015/16 allocation, but does not include the DfT Retained Schemes in future years which have a total value of circa £42m. Reporting to MCA also includes income generated by LGF of circa £19m, which is not included in the dashboard. It should be noted that MHCLG agreed to roll forward the £8.66m underspend in 2017/18, which can be utilised in 2018/19 and/or 2019/20.

As anticipated, there was a significant increase in LGF outturn during Q4, with circa 83% of the projected spend for the year being claimed in this final quarter. This upsurge ultimately saw the programme exceed its forecast annual spend target by around 1%, or

circa £614k. This also represented spend of circa £3.555m over the LGF Award amount allocated for 2018/19. This additional spend was managed via part of the rolled over funding from 2017/18 detailed above (£3.07m), and part of the remaining Cap/Rev swap for Growth Hub expenditure (£0.48m).

The SCR Executive Team continue to closely monitor expenditure performance and explore ways to ensure the LGF grant will be maximised, whilst also managing over-programming for future years.

## **2.6 RAG Ratings**

Five projects have seen their overall RAG rating change this quarter with an upward trend overall:

- 'M1 J36 to Dearne Valley' has changed from Amber/Red to Amber due to significant progress in delivery, including the second phase of the project signing a funding agreement.
- 'Sheffield City Centre - Infrastructure to support substantial development' has changed from Amber to Amber/Green, due to good delivery progress in the quarter, including two elements making their first funding claims.
- 'Doncaster Urban Centre' has changed from Amber/Red to Amber, due to robust progress this quarter, including substantial funding claims.
- 'DN7 (Hatfield Link)' has changed from Red to Amber/Red, due to some of the previous complex issues delaying the project being resolved and the project making its first and a significant funding claim.
- 'SCR Housing Intervention Fund - Phase 2' has changed from Amber to Amber/Red, due to funding not being allocated in year.

## **3. Consideration of alternative approaches**

### **3.1 Q4 2018/19 DELTA Dashboard Approval**

The next proposed meeting of the LEP Board is scheduled after the MHCLG deadline for submission of the Quarter 4 2018/19 Dashboard. Therefore, later meetings could not be considered for this approval.

## **4. Implications**

### **4.1 Financial**

Section 2.5 details the financial implications of the paper.

### **4.2 Legal**

There are no legal implications resulting from this paper.

### **4.3 Risk Management**

Any risks identified in the DELTA Dashboard will be addressed through SCR's standard Programme Management arrangements.

### **4.4 Equality, Diversity and Social Inclusion**

There are no equality, diversity or social inclusion implications resulting from this paper.

## **5. Communications**

- 5.1** The approved Q4 DELTA Dashboard will be submitted to MHCLG in line with the 24th May 2019 deadline date.

## **6. Appendices/Annexes**

Appendix 1 - Q4 DELTA Dashboard

<b>Report Author</b>	<b>Edward Fletcher</b>
<b>Post</b>	<b>Programme Management Officer</b>
Officer responsible	Ruth Adams
Organisation	Deputy MD SCR Exec Team
Email	<a href="mailto:Ruth.Adams@sheffieldcityregion.org.uk">Ruth.Adams@sheffieldcityregion.org.uk</a>

Telephone 0114 2203442

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: