



Regional Growth Fund



CORNWALL &
ISLES OF SCILLY
LOCAL ENTERPRISE PARTNERSHIP



Cornwall and Isles of Scilly Regional Growth Fund Round 2

Delivery Plan – Refresh v6 June 2014

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PART 1

Introduction

The Cornwall and Isles of Scilly Regional Growth Fund Round 2 Programme is divided into two Strands, each with distinct objectives. Strand 1 will provide revenue and capital grants to businesses to support growth and investment to grasp market opportunities, including those provided by the new Superfast Broadband. Meanwhile Strand 2 will provide support for the construction of essential infrastructure, with the aim of facilitating the development of the most important growth areas around the County.

This Delivery Plan sets out the process by which investments will be made under the Programme, setting out the roles and responsibilities of individuals and organisations involved in the Scheme's delivery, its governance and the mechanisms by which the impact of the investments made will be tracked, monitored and evaluated.

The Programme will be given strategic direction by the Cornwall and Isles of Scilly LEP. The Accountable Body is Cornwall Council (CC) and day to day responsibility for the delivery of the programme will be undertaken by Cornwall Development Company (CDC), the economic development arm of CC. CDC has a dedicated Contract Services team, which will carry out the programme management function on Strand 1 and a dedicated Delivery Team in Development Services will manage projects coming forward under Strand 2.

The overall investment strategy is:

To create jobs and productivity through providing businesses in the target area with access to investment, enabling them to develop new products and services and access new markets.

Supporting this strategy are the following objectives:

- To attract high quality proposals with a good chance of deliverability and high impact on jobs;
- To complement and add value to other externally funded activities in Cornwall and the Isles of Scilly, particularly the Convergence programme, in order to strengthen the region's economic base.

Delivery Principles

- Allow for the use of RGF investment against phased delivery within a business' overall growth strategy
- Be a high quality, authoritative and legitimate service that is valued and upheld by users as the 'honest broker'
- Bring together a full range of business intelligence from representative organisations and other providers
- Make use of tried and tested financial management and information systems, gained through over 20 years' experience of programme management
- Leave a strong positive legacy built upon the benefit of investing for growth.

Location of Programme

All beneficiaries will be located in the area for which the Cornwall and Isles of Scilly LEP has responsibility. The area is coterminous with that of Cornwall and Isles of Scilly Convergence Programme.

Governance

The Cornwall & Isles of Scilly Local Enterprise Partnership (LEP) is responsible for taking the lead role in setting the economic development strategy for Cornwall and the Isles of Scilly and has chosen to be a strategic commissioning organisation. Increasingly this means that the LEP is responsible for making funding applications and commissioning decisions – the Regional Growth Fund Round 2 scheme being an example.

In order that it discharges this role in an effective manner the LEP operates a commissioning process (reflected in Appendix 1) and operates a risk management and performance monitoring process that aligns as much as possible with partner organisations such as Cornwall Council and the Cornwall Development Company. It has adopted clear management processes that enable it to formally review the performance of work it has commissioned and this scheme will be complying with these requirements.

Administration 2013 onwards

In April 2013 at a RGF Quarterly Meeting with DCLG and BIS officers, the matter of escalating management costs was raised which were not anticipated when submitting the original application. The main concerns centred on the level of due diligence required to approve and monitor applications, the requirement to monitor the programme until 2019, along with the level of information required to support quarterly claims. Colin Harris, the then BIS regional RGF manager, stated that we should consider using the 'accrued interest' from the programme to assist in meeting the management costs, as this practice had been adopted by other LEPs. Our current calculations have revealed that we anticipate over the life of the programme, management fees will be in excess of £600k and therefore we request to use £150k from the accrued interest, in addition to the £150k currently built into the Offer Letter (i.e. up to £300k in total), with the remainder going back into the pot for allocation/s to new inward investor applications.

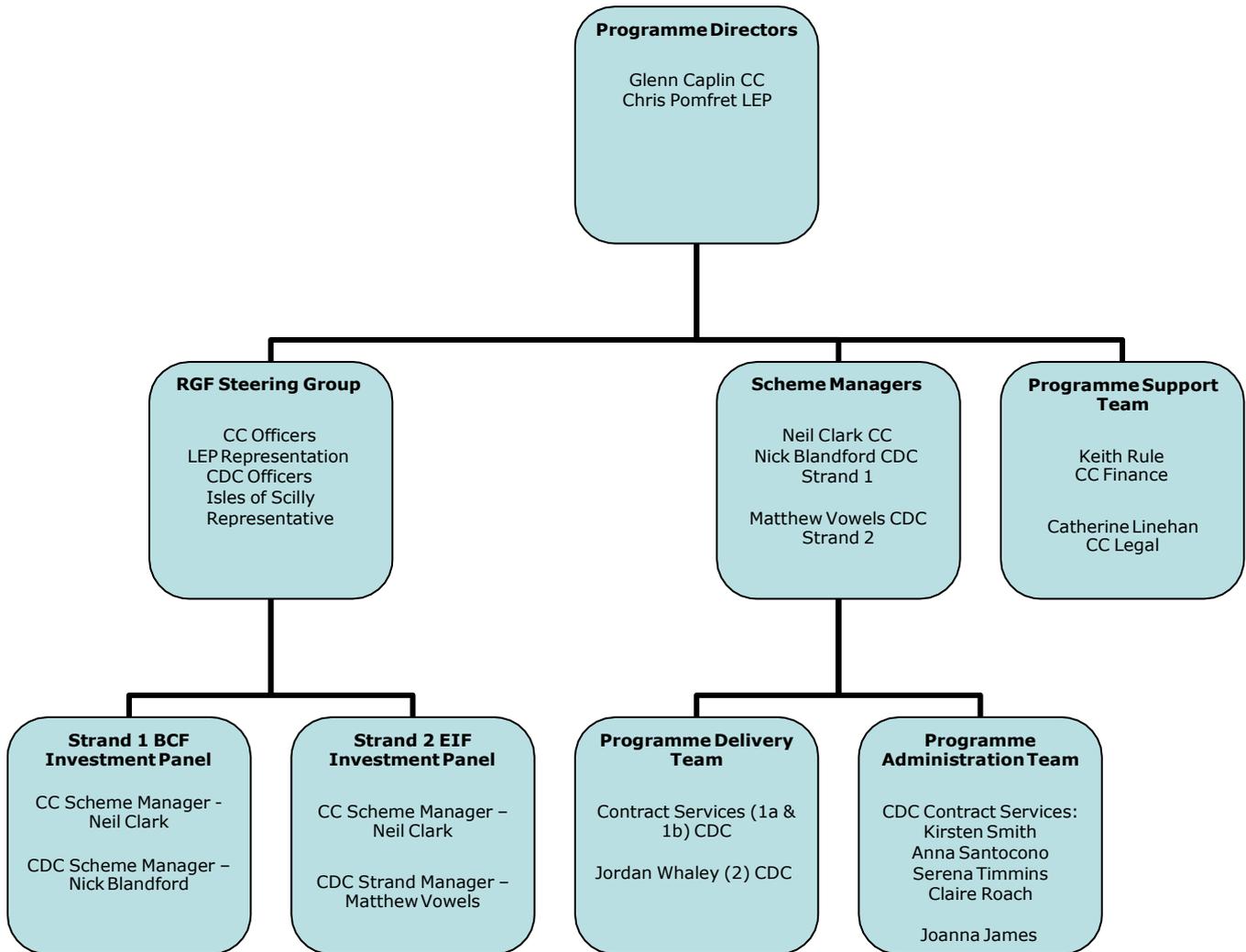
Roles and responsibilities of Organisations

Organisation	Role and Responsibilities	Remarks
LEP	<p>Oversight of the contract</p> <p>Review performance</p> <p>Strategic direction</p> <p>Decisions on largest investments</p>	<p>Having led the development of the bid the LEP has decided to leave the responsibility for delivery to the accountable body, but it retains responsibility for ensuring it is being delivered as intended and that any corrective action is taken if needed.</p> <p>It will therefore receive reports on performance against the agreed profile and take decisions on investments over £250,000.</p>
CC	<p>Hold the contract with BIS</p> <p>Report on performance at contract level</p> <p>Enter into contracts with businesses</p> <p>Financial responsibility</p>	<p>Cornwall Council on behalf of the LEP undertakes full financial responsibility for delivering the contract. It will ensure the right processes, resources and balances are in place for successful delivery.</p> <p>It will use the resources of its economic development arm, the Cornwall Development Company (CDC) for day to day delivery of the contract. This relationship has been used for the successful delivery of a number of multi-million pound contracts.</p> <p>It will receive from CDC monthly progress reports on the performance of this contract as part of its governance arrangements with CDC.</p>

CDC	Day to day delivery of the contract Employ resources to promote interest in the	CC will use CDC to ensure that the interface with businesses is effective and that the processes used are also effective, from the
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	<p>use of the RGF investment</p> <p>Ensure probity in how funds are used.</p>	<p>perspective both of the users and BIS.</p>
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RGF Delivery Management and Administration



PART 2

Strand 1 Overview

Total Programme	RGF	£6m
Location	All beneficiary organisations will be located in the area covered by the Cornwall and Isles of Scilly LEP.	
Strand 1 & 2 Jobs	Across 1a, 1b & strand 2 – 5,201 indirect jobs created or safeguarded.	
Strand 1a	RGF - £1m	
Superfast Cornwall Fund (SCF)	Intended to support 150-250 businesses and create/safeguard jobs in conjunction with BCF & EIF.	
	Range of grant £1,000 - £50,000 to SMEs only	
	Investments £1,000 - £50,000: Discretionary decision and offer letter by CDC on behalf of CC Inclusion on approvals report to monthly RGF Steering Group and RGF quarterly report to LEP for noting.	
Strand 1b Business Catalyst Fund (BCF)	RGF - £5m	
	To support businesses primarily with capital investments in fixed assets such as plant, machinery, land or buildings but some revenue support will be eligible.	
	Eligibility: Beneficiary businesses are viable and sustainable but are not eligible for support via ERDF Creation of new jobs and/or safeguarding of existing jobs Deliver improvements in productivity (benchmarked) A demonstrable need for financial support	
	Emphasis on food processing, first stage manufacturing, tourism	
	Typical investments: <ul style="list-style-type: none"> • fixed assets • plant and machinery • land and buildings 	
	Special groups: Social Enterprises lacking seed funding	
Range of investments from £10,000, no maximum, in accordance with rules on State Aid (GBER) for the size of the business		

Outputs and outcomes:

Supporting 30-50 businesses.

Creation of up to 5,201 jobs including safeguarded as a consequence of the investment in conjunction with SCF & EIF.

Calls made for proposals against schedules to reflect demand

Investments under £50,000:

- Technical appraisal by CDC Contract Services and discretionary approval by CDC Strand 1 Manager
- Offer letter produced by CDC for issue by CC
- Inclusion on spend report to RGF Steering Group and LEP

Investments between £50,001- £250,000:

- Technical appraisal by CDC Contract Services
- BCF Investment Panel review and make investment decision
- Offer letter produced by CDC for issue by CC
- Inclusion on spend report to RGF Steering Group and LEP

Investments over £250,000:

- Technical appraisal by CDC Contract Services
- BCF Investment Panel review and make recommendation for decision
- LEP sub-group review and make investment decision.
- Inclusion on spend report to RGF Steering Group and LEP

Strand 1 Description

Strand 1a – Superfast Cornwall Fund (SCF)

The improvements to digital connectivity that will be brought by Superfast Broadband¹ will help to overcome geographical obstacles and revolutionise the largely rural economy in Cornwall and the Isles of Scilly, by bringing distributed small scale suppliers closer to new markets. A Business Investment for Growth (BIG) investment scheme is already underway, funded by ERDF under the Cornwall and Isles of Scilly Convergence Programme. However many types of business are not eligible for support under this scheme; the SCF can therefore step in to support these businesses to access the upgraded products and services brought by Superfast Broadband such as:

- New e-commerce websites
- Cloud computing
- Video-conferencing and/or Voice Over Internet Telephone (VoIP) systems
- Developing a new approach to internet marketing and/or operations to enter new export markets
- A new business model that is enabled by Superfast broadband
- Business collaboration and 'virtual teams' enabled by Superfast broadband
- Mobile gaming
- Apps

Where there is a clear case of SCF exploitation, CDC reserves the ability to allow ERDF eligible projects to be supported through SCF rather than go through the Business Investment for Growth programme.

In April 2013 the LEP agreed to transfer £1m of the original allocation to SCF to Strand 2 (EIF) to meet demand at that time. It was also agreed with DCLG in October 2013 that the job outcome targets of whole programme would be amalgamated to target the creation and/or safeguarding of 5,201 indirect FTEs. This action reflected the Council's vision of unifying the 3 strands of this RGF programme to maximise flexibilities between the financial and job allocations of the programme as a whole in order to respond to demand of the respective elements and ultimately put the programme in the best position to achieve the lifetime job outcomes.

¹ Where businesses are unable to connect to superfast broadband because it is not available in their area, evidence of connection to ADSL 2 is accepted as an appropriate alternative.

Strand 1b: Business Catalyst Fund (BCF)

This strand provides capital funds for companies that are ineligible for support through the ERDF funded Grant for Business Investment scheme (GBI) (now closed) and gap funding. The minimum grant is

£10,000². The aid usually takes the form of a grant towards capital investment in fixed assets such as plant & machinery or land & buildings but in some circumstances revenue support is available.

Management of Strand 1

The Scheme Manager for RGF Round 2 Cornwall and Isles of Scilly Investments for Business is Nick Blandford, Head of Business and Skills Directorate, CDC. Neil Clark, Contracts Manager, Economic Development, CC will liaise with the Scheme Manager throughout the programme to provide CC with an overview of delivery progress and issues.

In addition, the following management procedures have been implemented:

Strand 1a Superfast Cornwall Fund (SCF):

Stephen Bough the SCF Advisor has worked with beneficiary businesses in Cornwall and the Isles of Scilly to develop and progress investment proposals ranging from £1,000 to £50,000 on the Superfast Cornwall Fund. This post comes to an end in March 2014, any ongoing support required by pipeline applicants to the SCF will be provided by Contract Services. The day to day management of SCF is undertaken by CDC's Contract Services (led by Interim Head of Service, Anthony Vage).

Strand 1b Business Catalyst Fund (BCF)

The initial call for investment proposals was made in May 2012, whilst a high level of interest was reflected in the number of expressions of interest (EoIs) received many were rejected on value for money grounds or failed to proceed to full application. A second call was issued in October 2012 which attracted a number of EoIs which generally were of lower investment value than the first call. A third call was launched in May 2013 and officially closed in October 2013 due to the number of pipeline EoIs. However, the BCF has continued to accept quality EoIs on a discretionary basis.

The main factor in EoIs failing to proceed to full application was due to the low value for money restriction of jobs against BCF. This continues to be a challenge.

The day to day management of Strand 1 is undertaken by CDC's Contract Services.

Programme management functions include:

- Providing input into the drafting of terms of reference for the RGF Steering Group and LEP sub-group.

² Applications requiring less than £10k have been supported by exception with the agreement of the Council for justifiable reasons.

- Preparation and submission of quarterly reports to DCLG.
- Collection, collation and analysis of beneficiary data.
- Production and updating of all programme documentation, including application, claim and guidance forms.
- Undertaking Technical Checks on full applications submitted,

making a recommendation and preparing these for decision.

- Processing progress and claim forms for approved applications and liaising with CC Finance for claim payments.
- Producing and updating the programme management information system (MIS).
- Collation and submission of beneficiary evaluation data to IPSOS Mori.
- Liaising with and supporting the annual external audit process.

- Supporting pipeline SCF & BCF applicants in the development of full applications prior to and following initial submission for assessment.

Strand 1 Investment and Appraisal Criteria The

Investment Panel

As reflected in a change to the SCF decision process, made in agreement with the LEP and DCLG in early 2013 all SCF and BCF projects are decided on a discretionary basis by CDC up to a maximum grant value of £50,000. Thereby expediting the decision process by avoiding the need to wait for a scheduled decision panel meeting.

For the BCF a BCF Investment Panel has been established for projects seeking £50,000-£250,000. The Panel consists of Neil Clark, Cornwall Council Contract Manager and Nick Blandford, CDC's Head of Business & Skills and Strand 1 Scheme Manager. The frequency with which it meets depends on the volume of proposals coming forward and is arranged on an ad-hoc basis; alternatively electronic copies of the documentation are circulated for decision.

Investment Criteria

Whilst the investment criteria remains the same no matter what the level of the required investment might be, the amount of assessment against these criteria is, by and large, commensurate with the size of investment sought.

The Decision Process

The decision processes and governance structures for both the SCF and BCF have been formulated in conjunction with and along similar lines to those required for the ERDF-funded Business Investment for Growth programme and the majority of the paperwork has common elements.

Superfast Cornwall Fund (SCF)

Below is set out the process for appraisal, mapped against the paperwork and online documentation that will be used.

The process is two tiered, with a lighter touch single application form for smaller investments – those up to £9,999 – and a more detailed EoI and full application process (including business planning elements) required for investments that exceed this figure.

Strand 1a Superfast Cornwall Fund Decision Process

Activity

Paperwork/Resources

Applicant visits CDC website to self-assess eligibility.

Web based self-assessment of client/project suitability e.g. the applicant/proposal must be:

- Located in the target area;
- An SME;
- Able to take advantage of superfast broadband
- Able to create/safeguard jobs
- Eligible activity.

If applicant passes self-assessment the Expression of Interest (EoI) (or Small Project Application) can be downloaded from CDC website.

Both the EoI and Small Project application require the applicant to outline the proposal, demonstrate that RGF is the funder of last resort, show how deliverable the proposal is and to what timescale.

Initial information is uploaded onto the database

SCF Database

EoI is submitted for eligibility check and scoring.
If the score exceeds 60%, a blank full application form is sent to the applicant for completion, along with full guidance and procurement requirements.

Eligibility Checklist & Scoring Matrix
Full Application Form
Procurement requirements

If the investment proposal is for £9,999 or under:
The applicant submits the Small Project application form with supporting documentation (accounts and financial

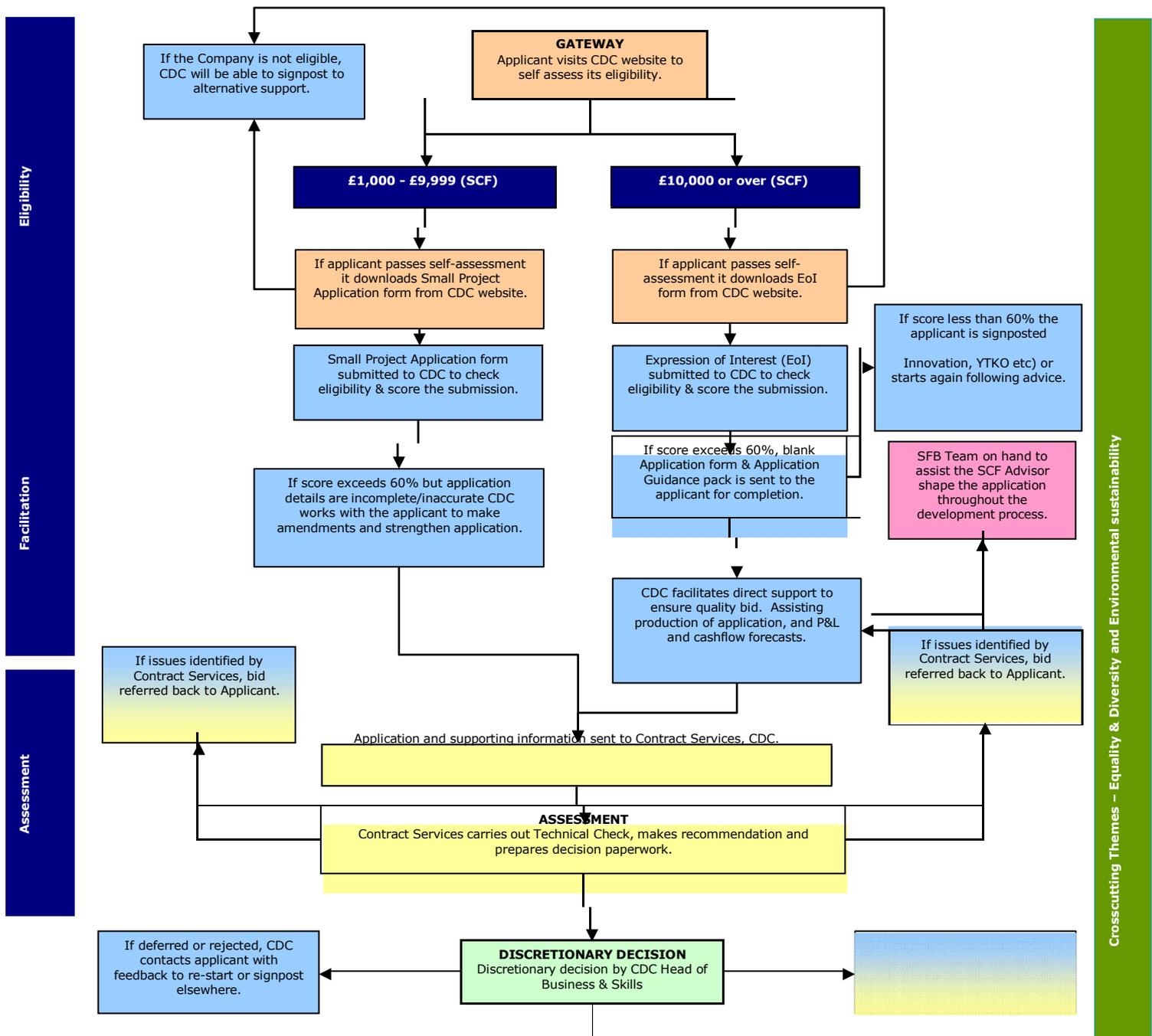
Full Application Scoring Matrix



<p>forecast information not required).</p> <p>Contract Services reviews the information provided and liaises with applicant to correct/clarify missing/unclear information.</p>	
<p>If the investment proposal is for £10,000 or over:</p> <p>The applicant completes a full application. Contract Services facilitates direct support to ensure quality bid, assisting production of application, P&L and cash flow forecasts.</p>	
<p>All investments</p> <p>Contract Services carry out a full Technical Check to confirm all information has been correctly completed/provided and makes a recommendation for decision.</p> <p>The decision is made by CDC's Head of Business & Skills.</p>	<p>Full Application Scoring Matrix</p> <p>Technical Check template</p>
<p>All investments</p> <p>If approved, CDC Contract Services contact applicant and issue CC headed offer letter within 7 days of the decision.</p>	<p>Offer Letter</p>

The flowchart below shows this process in graphical form:

Superfast Cornwall Fund Application and Decision-making Flowchart



Crosscutting Themes – Equality & Diversity and Environmental sustainability

PROJECT COMMENCES

CIOS LEP Assurance Framework
Appendix 14.1

Strand 1b Business Catalyst Fund

The process is similar to that for Strand 1a SCF.

Strand 1b Business Catalyst Fund (BCF) Decision Process	
Activity	Paperwork/Resources
Applicant visits CDC website to self-assess eligibility.	Web based self-assessment of client/project suitability: Located in the target area; Working in a sector that is unable to secure ERDF Convergence Funding or does not meet benchmark output criteria for ERDF Able to create/safeguard jobs Able to improve business' productivity Eligible activity.
If applicant passes self-assessment the EoI can be downloaded from CDC website.	The EoI will require the applicant to outline the proposal, demonstrate that RGF is the funder of last resort, show how deliverable the proposal is and to what timescale.
Initial information is uploaded onto the database	BCF Database
EoI is submitted for an eligibility check and scoring. If the score exceeds 60%, a blank application form is sent to the applicant for completion, along with full guidance and procurement requirements.	Eligibility Checklist & Scoring Matrix Full Application Form Procurement requirements
If the investment proposal is for £49,999 or under: The applicant completes an application form and submits this with supporting documentation to Contract Services. (Large organisations are also required to submit an appraisal of different options considered to meet the objectives of the project) Contract Services carry out a full Technical Check and make a	Full Application Scoring Matrix Technical Check template Decision template

recommendation for decision.

The decision on these smaller projects is made by CDC's Head of Business & Skills.

If the investment proposal is for £50,001-£249,000:

The applicant completes a full application form and business plan (large organisations are also required to submit an appraisal of different options considered to meet the objectives of the project)

Contract Services carry out the Technical Check and make a recommendation to the BCF Investment Panel who make the investment decision.

The Business Plan will require the applicant to produce a full financial appraisal, show how the proposal fits with relevant strategies and give detail on outputs and outcomes.

If the investment proposal is for £250,000 or over, the application and Technical Check process is as the above.

The BCF Investment Panel is presented with the Application and Technical Check for review but no decision is taken.

Contract Services then prepare a summary of the full application and a copy of the Technical Check which is then submitted by email to the LEP Sub-Group for decision.

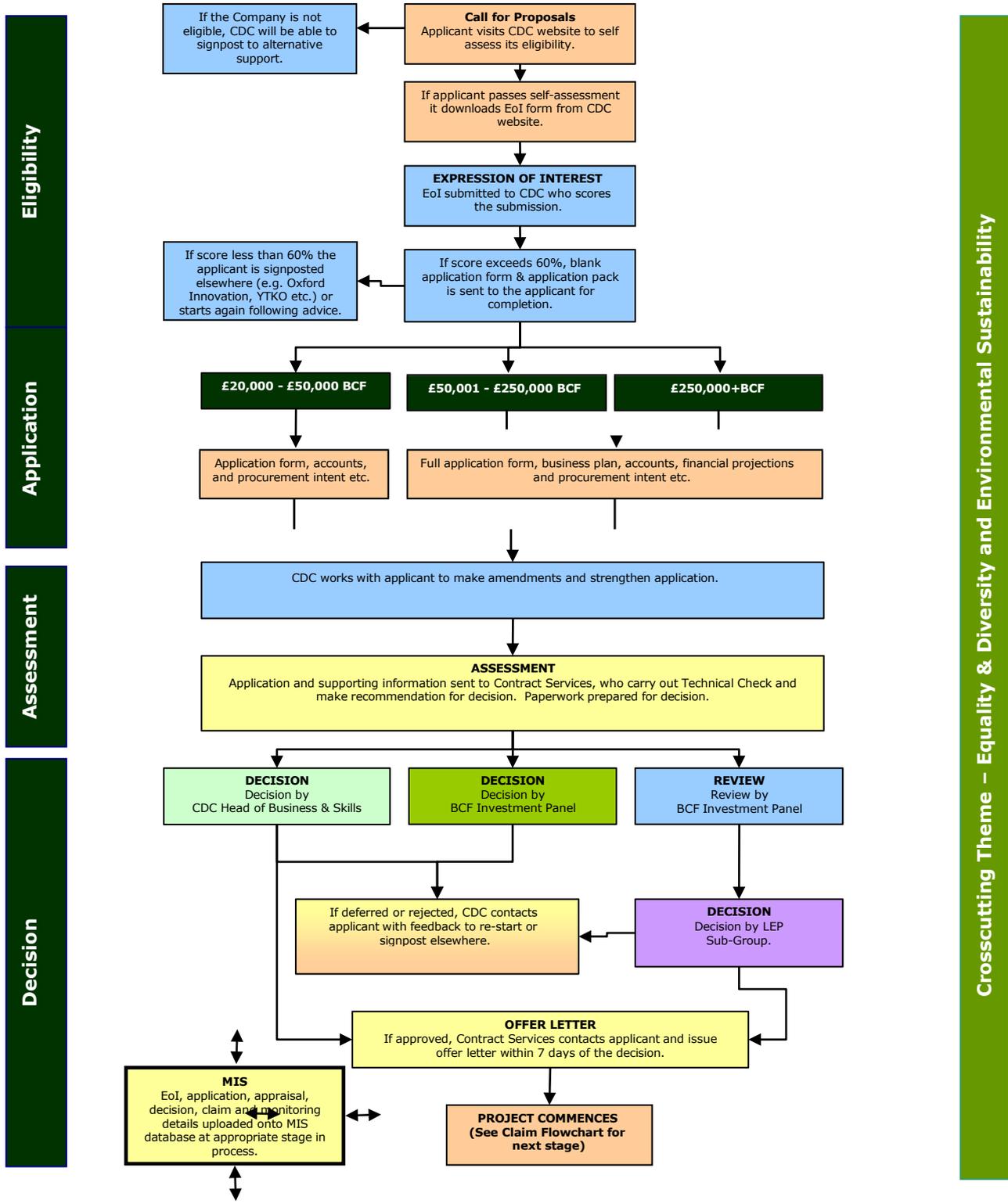
Application Summary for LEP

All investments:

If approved, CDC Contract Services contact applicant and issue offer letter on behalf of CC within 7 days of the decision.

Offer Letter

Business Catalyst Fund Application and Decision Making Flowchart



Crosscutting Theme – Equality & Diversity and Environmental Sustainability

Appl	BCF	CDC	CDC	EP Sub-	CDC Head of
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Monitoring Strand 1

CDC's Contract Services Team will be responsible for ensuring grant investments to the beneficiaries are used appropriately. Contract Services, who have 15 years' experience of programme management involving significant numbers of contracts consisting of UK mainstream and European funds, have well-established systems for the continuous collection of monitoring data.

Once a decision to award has been made, Contract Services will issue an Offer Letter in which the nature of the proposed expenditure will be explicitly laid out. The offer will remain valid for 30 days from the date of issue to the date of acceptance. The beneficiaries will be encouraged to discuss any issues with Contract Services that may affect their ability to draw down or defray the grant within the projected end date of the project.

The offer letter will include the following general conditions and these will be the subject of subsequent monitoring:

- At the end of the project, the beneficiary will be required to provide documentary evidence of the expenditure (including, in the case of private sector applicants, bank statements showing defrayal of the grant and any associated purchase orders and invoices) together with satisfactory evidence of progress against targets, in order to draw down the RGF investment;
- Beneficiary organisations will be required to carry out a robust and transparent procurement process at all times. A copy of the requirements is provided to all potential applicants. Applicants may submit a copy of their own procurement policy and demonstrate their adherence to it if it also ensures value for money, the efficient use of public money and whilst maintaining competitiveness and fairness across the EU. In exceptional circumstances, for example, where the nature of the product or service precludes the normal process, the beneficiary can submit a written request, accompanied by full justification, for a single tender action.
- The beneficiary will make a written request to draw down grant funding via the Progress and Claim Form. The grant will be paid as a single³ lump sum to the business at the point that the beneficiary can demonstrate defrayal of eligible expenditure. Claims will be checked by Contract Services and then sent to the CC Finance team for payment authorisation. The payment will be made by BACS, normally within 30 working days.
- The project monitors may organise a visit to inspect items purchased through the Scheme as part of the post-award monitoring process discussed above.

³ Interim claims can be accepted with prior approval in exceptional circumstances.

- Beneficiaries will provide baseline information on turnover and employment at the application stage and be asked to provide monitoring information at the time they make their claim at the end of the project. Depending on the performance information reflected in the application and accepted in the grant offer, beneficiaries will be required to provide information on employment (job creation and safeguarding) for up to 2 years after the project has financially completed and up to 2015/16.
- The information required from applicant beneficiaries to evidence direct jobs created or safeguarded is collected as part of the financial claim process in a Progress and Claim form. An example of the Progress and Claim pack as provided to applicants was provided to DCLG with the 2013 Delivery Plan.
- Just as each the details of each job forecast to be created/safeguarded is requested as part of the application process (job title, qualification level, FTE, salary, date to be achieved), beneficiaries are required to report against the same level of detail for each individual job outcome. They must also provide a copy of the employment contract or first payslip (jobs created) as well as an Employee Verification Template (EVT) or a Safeguarded Jobs Verification Template (SJVT) for safeguarded positions. The evidence required matches that as for ERDF (as discussed with Eifion Jones 29/10/12 and subsequent emails to 27/11/12) in lieu of any guidance for RGF. Each job claimed and subsequently reported to DCLG has its own unique reference and so can easily be traced if required.
- Whilst beneficiaries provide target dates for the appointment of job outcomes at the time of application (which are subsequently detailed in each offer letter), individual jobs can be spread across the delivery lifetime of the project. As explained in the Claims section below, in the majority of cases projects only make a single claim on financial completion of the project which could be some months after the initial jobs were forecast. As a result it is not necessarily in the period immediately following the predicted job creation that those jobs will be reported but it could be some months later.
- In order to provide a basis for the forecast job outcome profile across strand 1 we have mapped the target dates for jobs for each individual project on a quarterly basis and have used this to provide a conservative best estimate of annual job targets. Under Strand 1, the online self-assessment will ascertain the location for eligibility purposes and the precise location will be given at the EoI stage; this data is then entered into the MIS.
- Additional jobs from approved projects are anticipated to be forthcoming. For example, Cornwall Marine Network is set to create 330 apprenticeships as a result of the BCF investment.

Claims

Once a project has completed the applicant requests and completes a Progress and Claim form which is generated by the programme database to minimise the information that the applicant needs to complete. Technical advice and guidance is available from Contract Services.

Contract Services will check the completed form when it is returned, against approved expenditure and individual procurement items ensuring that appropriate supporting evidence is included.

Originals of this evidence are required; Contract Services will copy original receipted

expenditure and return originals to the applicant. If and/or once all is in order the claim is signed off by the Performance & Compliance Manager of Contract Services, the claim is then sent with appropriate notification to CC (Finance) recommending payment to the applicant. Contract Services will deal direct with the applicant on any issues that arise in this process, be they generated themselves or by CC Finance.

Contract Services will also as part of this process be checking the eligibility of any job outcomes reported and verifying the evidence provided.

Please note that projects may financially complete before any jobs that were forecast as a result of the project are created. Such instances will require follow up monitoring to ensure that outputs scheduled are achieved and reported.

As part of this process Contract Services will enter performance information from the Monitoring Form onto the database.

Payments

Beneficiaries will be expected to cashflow their project expenditure and then reclaim the cost from the programme at an intervention rate commensurate with the size of the business⁴ and approved at time of decision. In exceptional circumstances, such as applications submitted by social enterprises, there is the potential of Cornwall Council considering a request to cashflow the project but this process lies completely outside the operation of this contract.

As described in the previous section, CC will receive from Contract Services notification that payment should be made to the project. If satisfied with the notification (and any subsequent information) CC will make the payment to the project and inform Contract Services that they have done so. Cumulative payment figures are kept by both Contract Services and CC Finance and quarterly reconciliations made to ensure financial accuracy.

⁴ Compliant with State Aid (GBER) regulations.

Post Claim

Financial and performance information is gathered by Contract Services from each and every claim and assembled onto claim forms for the quarterly returns to DCLG. This is gathered for all 3 Strands by CDC before being passed to CC for their final checks and being sent to DCLG.

The processes for claims, payments and post claim are reflected in Appendix AB1.

Strand 1 Performance Management

In the event that only some of the grant originally requested by an applicant is drawn down and defrayed, CDC's Contract Services Team will assess with the business what effect this will have on the original proposition and report back to the relevant panel. They will then decide on the extent to which the project's objectives have been met. If the project has achieved what it set out to but at a lower cost than anticipated, the surplus grant will automatically go back into the pot so that others can benefit. However, if, in addition to incurring an underspend, the project has also underperformed, a decision will be made against the more general context of dealing with underperformance. This may lead to the consideration of whether the underperformance has occurred as a consequence of factors outside of the beneficiary's control or not.

Offer letters contain clauses that protect the Council (and thus the contract) from underperformance. Obviously the decision-making process does what it can to lessen the chances of underperformance, but all contract management processes will at times have to

deal with situations that cannot be forecast.

Where the beneficiary is unable to use all or part of the offered grant investment, it will be withdrawn and, time permitting, recycled back into the programme; if time does not allow, it will be returned to BIS.

Marketing and Promotion of Strand 1 Background

Cornwall Development Company has been contracted/commissioned to administer a range of business-facing funds on behalf of the Cornwall & Isles of Scilly Local Enterprise Partnership, working as the economic delivery arm of Cornwall Council and involving both UK and European funds. Individually these are significant pieces of work but together they represent a body of support for business growth in Cornwall & the Isles of Scilly entrusted to CDC. They also represent an opportunity for enhanced awareness and cooperation in enhancing business awareness of, and thus take up of, these various development opportunities.

The funds and their sponsors/funders are:

Total Programme Cost			
Funding Body/Fund	Name	Value	Applicant/Accountable Body
BIS/RGF	Superfast Cornwall Fund	£1m	LEP/Cornwall Council
BIS/RGF	Business Catalyst Fund	£5m	LEP/Cornwall Council
BIS/RGF	Enabling Infrastructure	£7m	LEP/Cornwall Council
HCA/Growing Places	Growing Places Fund	£6.36m	LEP/Cornwall Council
Convergence/ERDF	BIG programme (now includes proof of concept element - Business Innovation	£3.884m	Cornwall Development Company
TOTAL		£23.244m	

Whilst this joint management and delivery of various funds offers great opportunities for businesses in Cornwall & the Isles of Scilly to benefit, it does also present challenges in relation to branding, delineating messages to businesses, managing expectations and supporting businesses to secure what investments are most appropriate.

Therefore CDC has worked with its partners to develop an overarching media campaign using the Business Boost label. This approach has aimed to maximise the potential to ensure equality of opportunity for businesses to access the range of funds available.

A mix of media releases and messaging has been generated via relevant partner organisations dealing with potential clients, private sector organisations and others with access to business clients.

Promotion of Strand 1

A marketing and communications plan was prepared and delivered to ensure that the SCF and BCF were widely promoted and marketed to encourage eligible applications and maximise private sector investment. It was not considered appropriate to run a traditional marketing/advertising campaign to promote this activity, as past experience has shown that this inevitably attracts the wrong type of enquiries and can raise the expectations of businesses for which the programme is not intended. There is a differentiation between SCF and BCF in that there are obvious needs for the former to link closely with the Superfast Cornwall programme.

For the SCF, it is recognised that Superfast Cornwall has advisers working to stimulate demand for businesses to connect to the web via this new network and to maximise the enhanced opportunities it offers. These are working off a substantial database of businesses. The position of dedicated Adviser for the SCF has been instrumental in specifically targeting businesses to make investments in IT being part funded by this Strand working in collaboration with a variety of partners including the Superfast team, CUC partners (AIR), Oxford Innovation, YTKO, Cornwall Chamber, Sector Groups and other providers of Convergence-funded business development products, services and infrastructure.

Take-up of this fund was initially disappointing over the first 18 months as a consequence of a number of factors:

- Roll out of superfast connectivity across Cornwall throughout 2012 has been in its very early stages
- This has led to the fact that only a limited proportion of the business population so far has access
- Even with access, business sign up to superfast connectivity has been slow
- Uses to which superfast can be put are still developing/emerging leading to limited demand or uncertainty on the part of businesses as to how it can be used and the underlying investment needs/opportunities
- The potential productivity benefits of superfast makes it less likely (in many cases) that jobs can be created or need to be safeguarded

Having said that, connectivity has now achieved a level whereby over 80% of premises (residential and business) have been passed by a fibre and, therefore, we are able to undertake more aggressive marketing without causing ourselves problems with the majority of the population who do not yet have access.

A new marketing push is rolling out after Easter 2013 which should generate an increase in activity.

- Marketing activities undertaken from Easter 2013 include:
- Regular attendance at a range of business networking events, where the fund was actively promoted
- Monthly mentions in the Superfast Cornwall e-newsletter
- Continued support from the marketing department at Superfast Cornwall in promoting the fund. Also the Project Officers who handed out leaflets to newly connected areas on a regular basis
- Stands at a number of Cornish events including Chamber of Commerce events, partner hosted events: e.g.: Peninsula Enterprise and YTKO
- Close partner working with organisations including: Unlocking Potential, YTKO, Peninsula Enterprise
- A six week radio advertising campaign on Heart FM, run in December and January
- Editorial in local newspapers through RGF press releases

Business Catalyst Fund (BCF)

BCF utilises all the partner organisations identified in the text relating to SCF, and was launched initially via a "Call for Proposals" on 15th May 2012, during Cornwall Business Week which also coincided with media attention in Cornwall at the start of the Olympic Torch relay in the UK.

Further calls were made in October 2012 and May 2013, this was closed in October 2013 but EOIs continue to be accepted for quality applications offering good job creation/safeguarding.

Promotion on the Isles of Scilly

Colleagues based on the Isles of Scilly have supported CDC to arrange clients initially to examine and progress their proposals.

Thereafter, CDC would rely on regular contact with the Economic Development team to ensure that Scilly-based companies enjoy the same level of access to the programme as businesses on the mainland.

A handful of proposals were submitted by Scilly-based businesses in the first round but none of these were pursued by the businesses to full application. An application for a significant project on the Isles of Scilly has been in development for some time which will hopefully come into fruition in spring 2014.

Risks

As indicated in the Governance section the LEP undertook its own risk assessment of the scheme. Additionally, before accepting the contract management functions for this contract CDC operated its normal risk assessment processes, namely to produce a Project Report and Risk Assessment for discussion and refinement by its Executive Team and then present this to their Board of Directors. This was done at the programme conception in February 2012 and the performance of the contract has been monitored monthly utilising the Risk Register agreed at that meeting. A risk report is submitted to the LEP for consideration at their regular board meetings.

Individual project risks are examined and considered within the framework of the application process.

The risk register below provides an outline of the key delivery and financial risks that this programme may face, divided by Strand. Many of the risks are common to projects that

have been completed by Cornwall Council and CDC in the past, which have provided considerable knowledge and experience of how such risks can be mitigated.

Risk	Likelihood (H/M/L)	Impact (H/M/L)	Risk (H/M/L)	Risk Management
Low take-up	L	H	M	The ability to move funds between strands provided flexibility. Strand 1 now close to being fully committed based on
The quality of applicants and their projects is low	L	H	M	Adopt highly targeted approach. Clear application guidance. Close liaison with applicants by Advisors through project development stage. Ensure business support network
Eligibility issues	L	VH	L	Set out clear criteria at start. Robust compliance systems established to manage and monitor
The relationship between project partners breaks down and the project cannot proceed as expected	VL	M	L	Define relationships at start with clear ToR. Engage partners in panel process. Keep them involved and interested.
Management system failure leading to poor record-keeping, creating audit issues	VL	H	L	Make use of one of the most experienced programme management teams in the UK, with over 18 years' experience. Combine with continuous review of systems and ensure fitness for purpose, with stringent separation
Programme/target outputs not achieved	H	H	H	Targeted approach will include assessment of likely outputs per investment. Project specification development will underpin this process.
Actual job outcomes less than forecast	H	VH	H	Robust application and assessment process provides for best estimate of outcomes at project start. Applicants are required to report on progress as part of claim mechanism. Provision for clawback of funds if

Extracting job outcome evidence after projects'	H	H	H	Provision for clawback of funds if projects fail to report or to achieve outcomes following
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financial completion.				completion.
Complaints from ineligible businesses who believe they have a right to benefit	M	M	M	Ensure communications programme is effective. Manage expectations on a realistic basis.
Failure to recruit panel members with sufficient skills and knowledge	L	L	L	Panel members from within CC and CDC. LEP sub-group chosen from wider LEP membership.
Cash flow issues for CC	L	L	L	Cash flow forecast undertaken with manageable level of exposure anticipated. RGF drawn down in advance.
Claims from applicants slower than anticipated	M	H	H	Mechanism in place to automatically highlight projects which are 3 months late in submitting a claim. Actively chased to submit claim by a given deadline or award will be withdrawn in severe cases. Financial profile scheduled to pick

PART 3

Strand 2: Enabling Infrastructure for Business Growth

Strand 2 is a commissioned programme for the delivery of investment-ready enabling infrastructure that will unlock strategic areas for business growth and expansion. Strand 2 seeks to build on the momentum of the Cornwall and Isles of Scilly Convergence Programme, combining ERDF and RGF funding to unlock private sector investment to deliver new jobs in the short/medium term and creating the capacity for transformational growth over the medium/long term.

It is expected that growth will focus on investments that generate economic activity directly and indirectly in the following sectors:

- Marine and port related businesses
- Renewable energy projects
- Aerospace related industries
- Strategic transport schemes
- Private sector investments

Total RGF Programme	RGF Funding	£7m
Location	All beneficiary organisations will be located in the area covered by the Cornwall and Isles of Scilly LEP.	
Strand 2: Enabling Infrastructure for Business Growth	RGF £7m (£1m has been transferred from Strand 1)	
Activity	Delivery of investment-ready enabling infrastructure that will unlock strategic areas for business growth and expansion	
Outputs	5,201 indirect jobs created across all 3 strands including SCF & BCF.	

Management of Strand 2

Fund Management

The Scheme Manager for Strand 2 will be Matthew Vowels, Senior Delivery and Investment Manager, Cornwall Development Company. The day to day responsibility for the co-ordination of delivery of projects under Strand 2 will be undertaken by CDC on behalf of CC and the LEP.

Cornwall Council will:

- Work with the LEP to prioritise projects for RGF Strand 2 investment;
- Act as Accountable Body for RGF Strand 2;
- Deliver RGF funded projects (in its capacity as applicant);
- Submit progress and monitoring reports;
- Maintain audit records.

The LEP will:

- Work with the CC to prioritise projects for RGF Strand 2 investment on behalf of the wider business community;
- Make a decision on projects based on the information provided by CDC

CDC will:

- Assess the potential RGF projects against the agreed criteria to support the prioritisation process;
- Appraise projects based on the information provided (linked to ERDF appraisal where applicable)
- Coordinate and support delivery of the RGF projects;
- Monitor progress of the projects against agreed milestones and alert the LEP and the Council if there is any significant variation from the agreed delivery programme;
- Coordinate marketing and PR activity.

Strand 2 Decision making process

It was originally envisaged that Strand 2 would be awarded to public sector led projects matched with ERDF; however, in practice this has not been the case with only two, possibly three, projects matched with ERDF.

With the inclusion of private sector projects, this has resulted in leverage from the private sector instead of the use of public sector funds. Also, the benefit of favouring private sector schemes is that the outputs are more likely to be direct, whereas, public sector infrastructure would be mainly indirect outputs over a longer period.

There are also possible synergies between supporting public and private sector investments by providing a good balance of investments for Strand 2.

This approach demonstrates flexibility needed to respond to demand and changing circumstances of the programme.

RGF and Convergence

Cornwall & the Isles of Scilly is currently in receipt of ERDF funding through the Cornwall and Isles of Scilly Convergence Programme 2007-2013, the investment for which is directed through its Operational Programme (OP). The OP is sub-divided into 4 Priorities. Like RGF, the objective of Priority 4 is to unlock the economic potential of Cornwall's key towns, leading to job creation and increased prosperity. In addition, the respective timescales for delivery are also similar; the deadline for commitment of ERDF funds is the end of 2013 and the final claims must be received by September 2015.

Both Convergence Priority 4 and RGF thus share common objectives and timescales. The Convergence Programme also recognises the value of investment in infrastructure where this opens up land for development and removes barriers to future investment by businesses or developers.

Stage 1 – Project Identification & Development

CDC will carry out a closed call for public sector infrastructure projects, limited to departments within Cornwall Council and the Council of the Isles of Scilly.

The call will be for projects that will help to unlock the economic potential of a particular area.

Private sector projects which are not a suitable fit for Strand 1a or 1b can be considered, where appropriate, for Strand 2 on the basis the project is deemed "enabling infrastructure". This will be for exceptional projects only.

The long list of projects will be prioritised and projects that are shortlisted will be invited to complete an Expression of Interest form. Based on the information provided the project will either be invited to proceed to Full Application, returned to applicant for further information, or no longer progressed.

Projects led by Cornwall Council will also follow the Council's 'Capital Gateway' process.

Stage 2 – Appraisal

On receipt of a Full Application the project will be appraised by the Delivery Team. If successful, projects requesting over £250,000 will be referred to the LEP Sub Group for a decision. Projects requesting less than £250,000 will be decided by the Investment Panel unless they are considered contentious where they will be reviewed by the LEP Sub Group.

Project Assessment Criteria

	RGF Criteria	Rationale
1	Funding eligibility. Delivery of short/medium term jobs. Unlocks medium and long term employment growth and private sector investment.	To ensure funding conditions & outputs are achieved.
2	Match funding for ERDF funded infrastructure projects. Council capital RGF Growing Places Funds Private sector leverage	RGF investment working alongside ERDF not displacing ERDF. Compatible funding objectives to RGF – jobs & economic activity Linkage to related economic investments
3	Deliverability	Must be deliverable within funding timescales CDC acting as facilitator will ensure pre-application progress is made against demonstrable progress Projects that deliver outputs early will be favoured.
4	Maximising return on investment Intervention rate management to suit delivery & outputs	Complementary funding and fund management with ERDF, RGF, Growing Places, and Council match will maximise both returns for the funds and Cornwall Provide flexibility to ensure that funding intervention rates are maximised to ensure eligibility & endorsement by approving authorities
5	State Aid	All investments must be state aid

		compliant.
6	Strategic Fit	How the project aligns with strategy and policy.

Stage 3 - Approval

Submission to the LEP Subgroup

Projects requesting more than £250,000 or are considered contentious will progress to the LEP Sub Group. A Project Summary will be provided to the LEP Sub Group for comments.

Any queries arising will be addressed by CDC prior to a formal decision. The LEP Sub Group or LEP Chairman will approve the project, refer it back to the applicant for further development, or reject.

Submission to ERDF (only applicable where ERDF funds are utilised)

Once approved by the LEP Sub Group, the business plan will be submitted via the relevant Contract Manager through for ERDF Technical Appraisal. From there it will follow the standard ERDF endorsement route. CMG will not endorse the RGF funding but will endorse (or otherwise) the project and the ERDF funding. This mirrors the way other projects have their match funding previously approved and is consistent with the requirement for ERDF to be the funder of last resort.

The ERDF appraisal and endorsement process will support the process undertaken for RGF and assist in informing the investment decision. In all cases CDC will undertake a separate project appraisal as RGF seek different objectives to ERDF in particular the way jobs are counted.

ERDF applications require the preparation of a very detailed business case (supported by an independent review of costs). Once submitted, DCLG undertake a formal, detailed technical appraisal of the project; the appraisal reports along with the appraiser's recommendations are presented to the Convergence Management Group (CMG) for endorsement. As can be seen this is an extremely thorough process which covers strategic issues, value for money, state aid, deliverability and risk.

Stage 4 – Offer Letter / Contract

Evidence of match funding is required before the ERDF Technical Appraisal can commence and therefore a conditional offer of RGF funding (conditional on ERDF endorsement) must be submitted with the ERDF application.

The RGF offer letter will be approved by the LEP and issued by the Council, and will be submitted with the ERDF application, if applicable. If the project does not involve ERDF the same process will be undertaken provided that the LEP is given evidence of match funding from the Council or any other sources.

Following CMG endorsement of ERDF the local DCLG team work with the applicant to resolve any pre- offer letter conditions before an ERDF contract is issued. Once the ERDF contract is signed by the applicant, it usually requires that a first claim be made within 6 months.

The RGF contract will be drawn up in parallel by the Strand 2 Manager who will issue an in principle RGF offer letter, which will reflect the key conditions in the ERDF contract. The

RGF offer will remain valid for 60 days from the date of issue to the date of acceptance. The RGF offer letter will be conditional on the ERDF offer / contract.

Projects not seeking ERDF support will be provided an Offer Letter when the project has been approved by the LEP Sub Group.

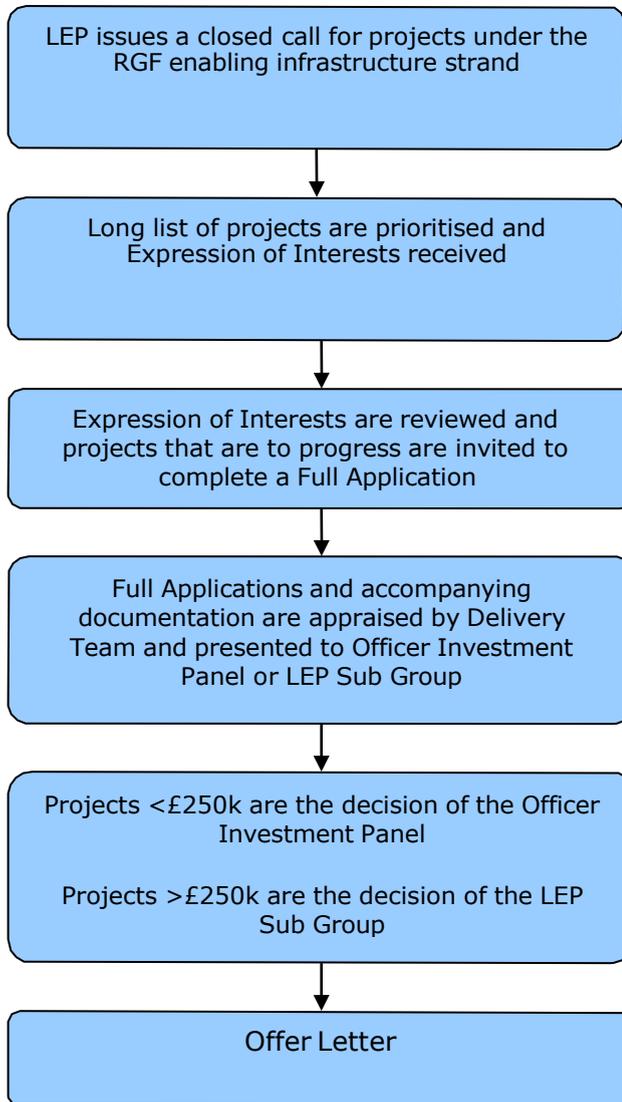
Stage 5 - Project Monitoring and Review

CDC will co-ordinate, support and monitor the delivery of RGF Strand 2 on behalf of the LEP and Cornwall Council.

CDC will provide regular progress reports to the LEP and Council on the progress of the prioritised projects against the agreed milestones. In the event that a project encounters issues which significantly impacts on deliverability the report will highlight this and recommend that the LEP and Council undertake a re-prioritisation exercise.

The projects once 'live', will be subject to the usual ERDF contract management and monitoring however, they may also be monitored by RGF. For the avoidance of doubt ERDF projects will adhere to ERDF rules and regulations pertaining to (but not limited to) procurement, publicity, record keeping etc. must be adhered to, therefore superseding the requirements of any other funding regulations.

Strand 2 – Enabling Infrastructure Fund Decision Flowchart



Monitoring Strand 2

Claims

Projects will be required to complete a pre-populated Progress and Claim form to minimise the information that the applicant needs to complete; technical advice and guidance is available

The Delivery Team will check the completed form when it is returned, against approved expenditure and individual procurement items ensuring that appropriate supporting evidence is included. For private sectors projects, if the project is to the satisfaction of the Delivery Team it will be passed to Contract Services for processing and follow the process identified for Strand 1.

For Strand 2, due to the nature of the projects, it is anticipated that Cornwall Council will be the applicant for most of the submissions. For audit purposes, these projects will complete the Progress and Claim form but will not be referred to Contract Services. Authorisation for payment will be made by Cornwall Council on the recommendation of CDC based on satisfactory evidence.

Cornwall Council has extensive experience and robust financial systems in place and therefore will not be reviewed by Contract Services. The Council will maintain its own project files that will be available for review.

In some instances Cornwall Council led projects will only be claimed on the completion of the project in order to minimise administration costs. This will result in the evidence of jobs outputs to be delayed until completion of the project. It is therefore envisaged that projects will be requested to evidence significant job outputs outside of the financial claim process. This will ensure jobs created will be counted on achievement and therefore provide an accurate reflection of jobs created for Strand 2, and not deferred to the end of the programme.

The spend profile has been updated to reflect the likely claim periods.

Payments

Beneficiaries will be expected to cash flow their project expenditure and then reclaim the cost from the programme at an intervention rate commensurate with the size of the business and approved at time of decision, in order to comply with State Aid regulations.

As described in the previous section, CC will receive from the Delivery Team notification that payment should be made to the project. If satisfied with the notification (and any subsequent information) CC will make the payment to the project and inform the Delivery Team that they have done so. Cumulative payment figures are kept by both the Delivery Team and CC Finance and quarterly reconciliations made to ensure financial accuracy.

Monitoring of Outputs

CDC will work with applicants on forecasting the outputs associated with the project. Indirect jobs (created or safeguarded) that are forecast as a result of the investment will need to be supported by robust evidence to the satisfaction of the Strand Manager.

Transport projects, in particular, will calculate an employment figure based on known developments both commercial and housing (please note that employment associated with unlocking housing will not be monitored). The growth targets will be proportioned to transport projects in that locality and profiled on a yearly basis. Transport schemes will use industry standard modelling data to proportion traffic movements to/from a development based on the impact of a scheme.

Construction jobs have been calculated for the projects. The number of jobs created has been calculated using approved methodology (see below). This assumes that each construction job is based on £80,000 over 10 years. For example, an £800,000 construction contract would create 1x FTE and a

£8,000,000 construction contract would create 10x FTEs. This can be evidenced by the applicant through a detailed record of spend on construction.

Direct jobs (created) will be evidenced by an Employment Verification Template with evidence either by contract of employment or pay slip. Safeguarded jobs will be supported by a signed statement from the employer which satisfies that the jobs would otherwise be at risk.

To monitor and evidence the indirect outputs for transport schemes the Strand Manager will liaise with Cornwall Council Planning Department to calculate the number of developments and associated job figures that have been unlocked indirectly through the investment, in addition, business surveys on developments or in the towns unlocked or assisted by the transport investment will be undertaken. It might also be possible to profile jobs based on Census or other employment data which may be available.

In some instances transport schemes will unlock mixed used development which will include commercial space and housing. Using the Employment Densities Guide 0.33 FTE can be applied to each housing unit unlocked. The forecast employment from housing has been calculated as an outcome of the RGF fund but will not be monitored.

Job verification for individual projects may differ and will most likely be bespoke for each investment. For example, the indirect jobs created through investment in the marine renewable sector will be largely related to supply chain impact whereas investment in strategic transport schemes will create indirect jobs through unlocking development in that locality. Therefore, as an example, a supply chain study will be completed for the marine renewable industry and for transport schemes a business survey will be completed.

Any economic assessments will be in line with English Partnerships Additionality Guidance and/or Homes and Communities Agency (HCA) OFFPAT Employment Densities Guide.

Strand 2 - Job output methodologies

Falmouth Petroleum

□□□□ **£1,461,454 (RGF)**

- **895 indirect safeguarded**

Forecast:

Total net additional, Dock-related, FTE jobs = 895.

Port of Falmouth Masterplan - Economic Impact Assessment. (Source: [Link to Falmouth Masterplan on Cornwall Council website.](#))

The Port of Falmouth Masterplan identified a number of key developments that would contribute towards the strategic aims of the main stakeholders in the Port. The refurbishment of the eastern jetty and breakwater was considered to be a key project, concluding that, "*Refurbishing the Eastern Breakwater will allow it to continue to protect the Docks as a whole*". By investing in the breakwater, the docks basin and Pendennis foreshore will be protected from Easterly winds.

Evidence (Actual):

CDC recently commissioned URS to complete a Port of Falmouth Economic Analysis, Supply Chain and Demand Assessment. The results will provide the latest employment data for the Port of Falmouth and the wider supply chain, therefore, determining the number of jobs at the Docks dependant on this project.

The draft report has been received and is expected to be approved summer 2014.

Truro Park and Ride

- **£2m (RGF)**
- **7 direct**
- **176 indirect**

Trafalgar Roundabout

- **£400k (RGF)**
- **228 indirect**

The evidence of the direct jobs applicable to Truro Park and Ride will be provided by Cornwall Council Transport on completion.

Both project indirect outputs to be claimed using the same methodology;

Forecast:

Transport model created by Parsons Brinkerhoff. The model identifies the proposed developments in the Truro area and the associated total number of forecast jobs, and by using traffic data, proportions the number of jobs by each transport scheme.

(Source: Employment Densities Guide, Drivers Jonas Deloitte, OFFPAT/HCA 2010)

Evidence (Actual):

Firstly, new developments in the locality will be monitored for job creation applying the calculations adopted from the employment densities guide. The jobs created will be proportioned to individual transport schemes using the same methodology in the forecast model.

Secondly, employment data will be monitored each year when published to determine the increase in employment in the Truro area.

(Source: Business Register and Employment Survey, Employment Densities Guide)

Marketing and Promotion of Strand 2

CDC will coordinate marketing and PR activity related to Strand 2 on behalf of the LEP and Cornwall Council. CDC will submit or input into draft press releases for both organisations to approve and submit.

The following communication opportunities for Strand 2 Investment:

- Initial announcement formally opening the RGF Round 2 funds, which will include Strand 1.
- Overall project activity within the Strand
- Announcement of key project milestones in advance of funding approval
- Funding approvals in place
- Construction contracts signed and unconditional
- Commencement of the physical site works
- Six months prior to practical completion
- Practical completion
- Overall outputs and investment achieved
- Any catalytic investments attracted as a result of ERDF/RGF

investment All projects will be required to advertise the funding through the use of the RGF logo.

Risks

The Strand 2 risk assessment provided below covers the risks at a programme level. Each project has its own risk assessment, which is reviewed by CDC. The CDC monitoring and highlight report produced for CC and the LEP will identify any significant change in the risk profile at both the project and programme level.

Strand 2 Risk Assessment

Risk	Likelihood (H/M/L)	Impact (H/M/L)	Risk Management
Match funding from Cornwall Council is not available.	M	L	Ensure close liaison with Council Officers to ensure RGF/ERDF funded projects remain a priority. In most cases CC match funding will have already started their approval process, with delegated authority to relevant Service Director.
Match funding from Convergence Programme (ERDF) is not achieved.	L	L	The ERDF priorities are already agreed, demonstrable delivery progress is key to maintaining the confidence of the ERDF partners.
The quality of proposed projects is low.	L	L	The projects have already been assessed in terms of fit with strategic objectives. Any 'new' projects will be assessed against appraisal criteria.
Eligibility issues with proposed projects.	L	L	The existing projects have been assessed in terms of eligibility. Any 'new' projects will be assessed against appraisal criteria.
Unable to achieve planning permission for project; other consents required.	M	M	Close working with colleagues in the Planning department and the project leads. Assess planning and other consent based risks before prioritising project.
Procurement of contractor and professional team is delayed or not achieved.	L	M	Work with project leads to assist in the procurement of professional team and contractor.
Programme/target	M	L	Appraisal criteria and prioritisation
outputs not achieved			will include assessment of outputs and outcomes. Fund allocated and forecast job outputs will exceed target.

Performance of contractor is inadequate.	L	M	CC delivered schemes to be managed in accordance with standard CC contracts which are in line with best practice. Private sector led projects to ensure adequate procurement procedures.
Unable to deliver scheme against deadlines for funding.	L	L	Regular monitoring against milestones. Reserve projects brought forward in the event of delays. Forecast project spend profile meets funding deadlines.
Actual job outcomes less than forecast	L	M	Robust application and assessment process provides for best estimate of outcomes at project start. Applicants required to report on progress as part of claim mechanism. Provision for clawback of funds if individual projects significantly underperform.
Extracting job outcome evidence after projects' financial completion.	M	M	Provision for clawback of funds if projects fail to report or to achieve outcomes following financial completion.

PART 4:

Programme Budget

Budget Forecast (000s)

	Total	2013	2013	2013	2013	2014	2014	2014	2014	2015	2015	2015	2015	2016	
RGF	All Years	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	All Years
		£	£	£	£	£	£	£	£	£	£	£	£	£	£
1a SCF	1,000	4	19	1	42	87	47	100	150	250	300	-	-	-	1,000
1b BCF	5,000	3	73	220	169	211	250	500	620	1,660	1,294	-	-	-	5,000
2 EIF	7,000	0	120	42	790	0	429	251	1,399	885	1,173	875	275	761	7,000
Total	13,000	7	212	263	1,001	298	726	851	2,169	2,795	2,767	875	275	761	13,000
Cumulative	13,000	7	219	482	1,483	1,781	2,507	3,358	5,527	8,322	11,089	11,964	12,239	13,000	

For a full breakdown of the Strand 2 spend profile is available in Appendix A – Strand 2 Forecast June 2014

Programme Jobs Profile

RGF	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	All Years
Strand 1	0	142	773	1,010	0	0	0	1,925
Strand 2	0	1,202	1,162	178	344	260	130	3,276
Total	0	1,344	1,935	1,188	344	260	130	5,201
Cumulative	0	1,344	3,279	4,467	4,811	5,071	5,201	

For a full breakdown of strand 2 please view Appendix A - Strand 2 Forecast June 2014.

As agreed with DCLG & BIS and reflected in the revised GOL Cornwall Council believe that the most effective way to manage the achievement of the programme's job targets is to maintain flexibility across the two elements of strand 1 and strand 2. Therefore, whilst an arbitrary breakdown for both strands is shown above, it is the total row that shows the jobs profile for the coming years.

Quarterly Schedule of Delivery Across all Strands

Year	Quarter	SCF	BCF	EIF
2014/15	April – Jun	Cumulative SCF committed £711,000	Cumulative BCF committed £4,313,000	Cumulative EIF committed £7,000,000
		Cumulative SCF Claimed £200,000	Cumulative BCF Claimed £926,000	Cumulative EIF Claimed £1,381,000
		Cumulative number of jobs claimed 1,549		
		Quarterly claim and Statement of Use to DCLG		
	Jul-Sep	Cumulative SCF committed £874,156	Cumulative BCF committed £5,000,000	
		Cumulative SCF Claimed £300,000	Cumulative BCF Claimed £1,426,000	Cumulative EIF Claimed £1,632,000
		Cumulative number of jobs claimed 1,669		
		Quarterly claim and Statement of Use to DCLG		
	Oct-Dec	Cumulative SCF committed £974,156		
		Cumulative SCF Claimed £450,000	Cumulative BCF Claimed £2,046,000	Cumulative EIF Claimed £3,031,000
		Cumulative number of jobs claimed 1,822		
		Quarterly claim and Statement of Use to DCLG		
Jan-Mar	Cumulative SCF committed £1,000,000			
	Cumulative SCF Claimed £700,000	Cumulative BCF Claimed £3,706,000	Cumulative EIF Claimed £3,916,000	
	Cumulative number of jobs claimed 3,279			
	Quarterly claim and Statement of Use to DCLG			
2015/16	April – Jun	Quarterly claim and Statement of Use to DCLG		
		Cumulative SCF	Cumulative BCF	Cumulative EIF

		claimed £1,000,000	claimed £5,000,000	claimed £5,089,000
		Cumulative number of jobs claimed 3,407		
	Jul-Sep	Cumulative number of jobs claimed 3,594		
		Quarterly claim and Statement of Use to DCLG		
	Oct-Dec	Cumulative number of jobs claimed 3,802		
		Quarterly claim and Statement of Use to DCLG		
	Jan-Mar			Cumulative EIF claimed £7,000,000
		Cumulative direct jobs created/safeguarded – 4,467		
2016/17	Apr-Mar	Cumulative direct jobs created/safeguarded – 4,811		
2017/18	Apr-Mar	Cumulative direct jobs created/safeguarded – 5,071		
2018/19	Apr-Mar	Cumulative direct jobs created/safeguarded – 5,201		
		Programme End		

Programme Evaluation

Throughout the delivery of this contract performance will be measured and reported upon. Whilst the majority of this will be quantitative, qualitative information will also be gathered as part of CDC's attention to customer requirements.

As reflected in the Governance section and the Schedule for Strand 1, as well as making regular performance reports to the LEP there will be a minimum of an annual formal review of the operation of the whole contract. These will in effect be on-going and interim evaluations of the scheme. As agreed at the meeting with DCLG on 10 April 2013 monthly reporting will now be implemented.

CDC will in addition complete a final evaluation report for Strands 1 and 2 in March 2016 in order to capture the impact of the Scheme until that date.

Whilst the report will focus on the number of jobs secured through the scheme it will also gather the opinions of the businesses and stakeholders through a consultation process, using a simple structured topic guide to enable aggregation of responses, as well as the observations of delivery partner organisations.

As part of the final evaluation, a peer review at the end of the programme will also be considered if necessary.

List of Appendices

App 1 LEP Commissioning Process

App AB1 SCF & BCF Claim Flowchart

App A Strand 2 Forecast Mar 2014

CIOS LEP Assurance Framework
Appendix 14.1