

 <b>Swindon &amp; Wiltshire</b> LOCAL ENTERPRISE PARTNERSHIP	<b>Board Meeting</b> <b>21 March 2018</b> <b>Paper Number 3.5</b>
--	---

<b>Security Level:</b>	Confidential <input type="checkbox"/>	Restricted <input type="checkbox"/>	Unclassified <input checked="" type="checkbox"/>	Commercially Sensitive <input type="checkbox"/>
------------------------	---------------------------------------	-------------------------------------	--	---

<b>Meeting &amp; Date:</b>	SWLEP Board Meeting – Wednesday, 21 March 2018		
<b>Subject:</b>	SWLEP Remuneration Committee		
<b>Attachments:</b>			
<b>Author:</b>	John Mortimer	<b>Total no of sheets:</b>	7

<b>Papers are provided for:</b>	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
---------------------------------	--	-------------------------------------	--------------------------------------

## 1. Purpose

- 1.1. Recognising the importance of good governance and best practice in both the corporate and local government arenas, it is proposed that a SWLEP Remuneration Committee is established which would be responsible for making recommendations to the Board relating to its policy on employment terms, remuneration, the payment of expenses and periodic review in accordance with the Terms of Reference set out in Appendix I.

## 2. Summary

- 2.1. The contract for the SWLEP Director ends on 10 April 2018. It is proposed that this contract is extended by three months, ending on 10 July, in order to allow discussions with the employing authority and the Board on future arrangements. The Remuneration Committee is particularly charged with reporting back to the next Board with recommendations relating to the role, duties and terms of engagement of the SWLEP Director.
- 2.2. The Remuneration Committee, so far as reasonably possible, will be constituted and will act, in a manner consistent with the UK Corporate Governance Code, good practice in local government and the LEP's own Governance Framework. The scope of the committee will relate to the employment and financial arrangements relating to the appointments of the Chairman and Director of the SWLEP. It will have due regard to the policies and arrangements of the local authority partners of the SWLEP and to those of other Local Enterprise Partnerships, notwithstanding

the fact that our objective is to exhibit the highest degree of transparency and good governance.

- 2.3. In order to establish the Remuneration Committee, five Board members are proposed to form the Committee in accordance with the Terms of Reference and as set out in the recommendations below (paragraph 3.2).
- 2.4. The inclusion of the Chairman of the SWLEP Board on the committee is consistent with the UK Corporate Governance Code. The Terms of Reference of the Committee specifically state that the Chairman of Board will not be permitted to take part in any meeting at which the remuneration of the Chairman is discussed.

### **3. Recommendations**

The Swindon and Wiltshire Local Enterprise Partnership Board is recommended to:

- 3.1. Approve the establishment of a SWLEP Remuneration Committee in line with the Terms of reference set out in Appendix I;
- 3.2. Approve the appointment of the following Board members to the committee:  
  
Peter Wragg – Chairman of the Remuneration Committee  
John Mortimer – SWLEP Chairman  
Shahina Johnson – private sector Board member  
Alex Reed - private sector Board member  
Amanda Burnside – education sector Board member;  
and
- 3.3. Approve a three-month extension to the SWLEP Director's contract.

### **4. Appendices**

- 4.1. **Appendix I: draft Remuneration Committee Terms of Reference**



## **Appendix 1: Swindon & Wiltshire Local Enterprise Partnership (SWLEP) Remuneration Committee**

### **Terms of Reference**

#### **1. Governance**

- 1.1. The Remuneration Committee shall be accountable to the SWLEP Board and must operate at all times within the parameters of the SWLEP Governance Framework. The decisions and business of the Remuneration Committee shall be subject to the overview and scrutiny function set in place for the SWLEP.

#### **2. Membership**

- 2.1. The Remuneration Committee shall comprise five SWLEP Board members, all of whom shall be independent non-executive Board members and will include the Chairman of the Board.
- 2.2. Members of the Remuneration Committee shall be appointed initially by the Board and thereafter by the Board in consultation with the Chairman of the Remuneration Committee. Appointments shall be for a period of up to three years extendable by no more than one additional three-year period concurrent with their appointment as a SWLEP Board Member.
- 2.3. The Board shall appoint the committee chairman. In the absence of the committee chairman the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be chairman of the committee.
- 2.4. Only members of the committee and the committee secretary shall have the right to attend the Remuneration Committee meetings. However, other individuals such as the Director, the heads of human resources of Swindon Borough Council and Wiltshire Council and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

#### **3. Secretary**

- 3.1. The Section 151 Officer of the SWLEP's Accountable Body shall act as the Secretary of the committee and will provide secretariat administrative assistance to ensure the efficient functioning of the committee.



#### **4. Quorum**

- 4.1. The quorum for a meeting shall be three Board Members. No business shall be transacted unless a quorum is present. If a quorum ceases to be present during a meeting the meeting shall be adjourned to a date to be agreed or determined by the Chair.

#### **5. Meetings and papers**

- 5.1. The Remuneration Committee shall meet at least once a year.
- 5.2. Meetings of the committee shall be called by the secretary of the committee at the request of the committee chairman.
- 5.3. The agenda and supporting papers shall be circulated electronically to the members of the committee and any other person required to attend at least five working days before the meeting.
- 5.4. Notice of each meeting confirming the venue, time and date together with an agenda and supporting papers, shall be forwarded to each member of the committee and any other person required to attend, no later than five working days before the date of the meeting.
- 5.5. The secretary shall minute the proceedings and resolutions of all committee meetings.
- 5.6. Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes will be distributed within ten working days following the meeting.
- 5.7. The committee chairman should attend the SWLEP Board to answer any questions on the Remuneration Committee's activities.

#### **6. Duties**

The Remuneration Committee shall:

- 6.1. recommend to the Board the total remuneration packages for the Chairman and Director. No individual shall be permitted to take part in any meeting at which their own remuneration is discussed;
- 6.2. recommend to the Board the SWLEP's remuneration policy, taking into account all factors which it deems necessary including relevant legal and regulatory requirements,

the provisions and recommendations of the UK Corporate Governance Code and the pay, expenses and reward policy of Wiltshire Council in its capacity as the SWLEP's Accountable Body;

- 6.3. have in mind the objective of attracting, retaining and motivating executive management of the quality required to run the SWLEP successfully without paying more than is necessary, having regard to views of the SWLEP partners and other stakeholders. The remuneration policy should have regard to the risk appetite of the SWLEP and alignment to the partnership's long strategic term goals;
- 6.4. have regard to pay and employment conditions across the partnership, especially when determining annual salary increases;
- 6.5. review on an annual basis the on-going appropriateness and relevance of the remuneration policy;
- 6.6. obtain reliable, up-to-date information about remuneration in other Local Enterprise Partnerships;
- 6.7. request funding, if required, up to an agreed amount to appoint remuneration consultants, legal or other professional advice and to commission or purchase any reports, surveys or information in line with the SWLEP's procurement policy which it deems necessary to perform its role;
- 6.8. ensure that contractual terms on termination, and any payments made, are fair to the individual, and the SWLEP, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 6.9. recommend the policy for the payment of expenses to Board Members and staff members not covered by the policies of the Accountable Body.

## **7. Reporting responsibilities**

The Remuneration Committee shall:

- 7.1. report to the SWLEP Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- 7.2. make whatever recommendations to the Board it deems appropriate on any area within its remit where it deems that action or improvement is needed;
- 7.3. ensure that provisions regarding disclosure of information, as set out in the SWLEP Governance Framework, are fulfilled and produce a report of the company's

remuneration policy and practices to be included in the company's annual report. If the committee has appointed remuneration consultants, the annual report of the company's remuneration policy should identify such consultants and state whether they have any other connection with the SWLEP;

- 7.4. through the Chairman of the Board, ensure that the SWLEP maintains contact as required with its local authority partners about remuneration.

## **8. Other matters**

The Remuneration Committee shall:

- 8.1. have access to sufficient resources in order to carry out its duties, including access to the human resources department of the Accountable Body for assistance as required;
- 8.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 8.3. give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of Local Enterprise Partnership staff and Board members;
- 8.4. review its terms of reference at least on an annual basis to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the SWLEP Board for approval.

## **9. Conflicts of interest**

- 9.1. The SWLEP Governance Framework includes a Conflicts of Interest Policy and members of the Remuneration Committee are required to disclose at its meetings, and using the SWLEP's Register of Interests form, any potential conflicts of interest or pecuniary interests (e.g. direct financial interest in a scheme through employment or personal gain including any interest as a result of close personal relationships or friendships) which may prevent them from making an impartial decision.



## **10. Code of Conduct**

- 10.1. All members of the Remuneration Committee and any officers shall, when carrying out any duties or responsibilities on behalf of the SWLEP, abide by the SWLEP's code of conduct as set out in the SWLEP's Governance Framework.

## **11. Variation**

- 11.1. These terms of reference shall be reviewed by the SWLEP Board on an annual basis but can be amended as required to meet the current and evolving needs of the Remuneration Committee with the agreement of the Board.

## **12. Agreement**

- 12.1. The above Terms of Reference for the SWLEP Remuneration Committee have been agreed by the SWLEP Board and signed by:

XXXX, Chair SWLEP Board

---

Date

---

XXXX, Chair Remuneration Committee

---

Date

---



**Swindon & Wiltshire**  
LOCAL ENTERPRISE PARTNERSHIP

**Board Meeting  
21 March 2018**

**This page left  
intentionally blank**



 <b>Swindon &amp; Wiltshire</b> LOCAL ENTERPRISE PARTNERSHIP	<b>Board Meeting</b> <b>21 March 2018</b> <b>Paper Number 3.7</b>
--	---

<b>Security Level:</b>	Confidential <input type="checkbox"/>	Restricted <input type="checkbox"/>	Unclassified <input checked="" type="checkbox"/>	Commercially Sensitive <input type="checkbox"/>
------------------------	---------------------------------------	-------------------------------------	--	---

<b>Meeting &amp; Date:</b>	SWLEP Board Meeting – Wednesday, 21 March 2018		
<b>Subject:</b>	SWLEP Budget for Core Activities 2018-19		
<b>Attachments:</b>	SWLEP Budget 1819 Final SWLEP 2017/18 Accounts		
<b>Author:</b>	Paddy Bradley	<b>Total no of sheets:</b>	5

<b>Papers are provided for:</b>	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
---------------------------------	--	-------------------------------------	--------------------------------------

## 1. Purpose

- 1.1. The report and attached budget identifies projected areas of spend and sources of funding for SWLEP core activity in 2018-19. A separate report to this meeting covers the capital budgets for projects included in the Local Growth Deal programme.
- 1.2. It is a requirement for the Board to approve the annual budget, authorising the Director to implement the activity and manage the resources identified.
- 1.3. If the Board does not approve the budget, activity, other than maintaining staffing, will be delayed until agreement can be reached.

## 2. Summary

- 2.1. The report indicates the costs associated with operating the SWLEP, including two programmes; Higher Futures and the Swindon and Wiltshire Enterprise Adviser Network.
- 2.2. Staffing costs, which make up approximately 60% of expenditure, are met through four funding sources.
- 2.3. In 2017-18, much of the activity of the SWLEP was focussed on developing the specification for and commissioning work to deliver the evidence base and draft strategy for higher education, apprenticeship growth, digital capability and local economic assessment. Preparation was also undertaken for activity which it is proposed will be funded in 2018-19 concerning transport and energy strategies and developing our local industrial strategy in partnership with central government.

- 2.4. The Growing Places Infrastructure Revenue fund is linked to the capital fund. Neither is ring-fenced. As the capital fund is released for business use, the revenue fund will receive income through the interest payments on loans. The Investment Strategy proposed in a report elsewhere on today's agenda provides the detail about the capital project loan calls. It is proposed to use the revenue fund to support continuing SWLEP activity, including an Inward Investment programme, to which the SWLEP is the major funder and the development of our local industrial strategy.
- 2.5. The budget has been developed in collaboration with the Head of Finance of the Accountable Body and is proposed to the Board with the approval of the Accountable Body.

**3. Recommendations**

The Swindon and Wiltshire Local Enterprise Partnership Board is recommended to:

- 3.1. approve the SWLEP Annual Budget for 2018-19 covering core activity.

3.1.1. **Appendix 1- SWLEP Budget 18-19 Final**

3.1.2. **Appendix 2 – SWLEP 2017/18 Accounts**

<i>SWLEP General Account</i>	<i>Core &amp; Capacity Funding</i>	<i>GPIF Revenue</i>	<i>Growth Hub</i>	<i>Higher Futures</i>	<i>Career &amp; Enterprise</i>	<i>BEIS Energy Support</i>	<i>Total</i>
<b>Central Government</b>							0
Grant	500,000		205,000		75,000	40,000	820,000
Authority/Private Sector Match	250,000				75,000		325,000
Interest 17/18	50,000	25,457					75,457
<b>Forecast Balance b/f 2017/2018</b>	<b>75,000</b>	<b>438,375</b>	<b>0</b>	<b>459,169</b>			<b>972,544</b>
<b>Total Income</b>	<b>875,000</b>	<b>463,832</b>	<b>205,000</b>	<b>459,169</b>	<b>150,000</b>	<b>40,000</b>	<b>2,193,001</b>
<b>Governance</b>							0
Board Development	-10,000						-10,000
Board Expenses	-15,000						-15,000
Accountable Body Charge	-50,000						-50,000
<b>Administration</b>							0
Staffing	-403,000	-98,200	-100,000	-206,400	-75,000		-882,600
Staffing Match	-210,000				-75,000		-285,000
Private Sector Board Member Time	-40,000						-40,000
<b>Communications/Marketing</b>							0
Media Support	-34,000		-10,750	-15,300			-60,050
<b>Projects</b>							0
Inward Investment	-32,000	-40,000					-72,000
Transport Improvement	-75,000						-75,000
Industrial Strategy		-40,000					-40,000
Developing Local Energy Strategy						-40,000	-40,000
Staff Development Higher Futures				-5,500			-5,500
LEP Network	-6,000						-6,000
GPIF - Legal and Consultancy		-40,000					-40,000
Growth Hub			-94,250				-94,250
<b>Total Expenditure</b>	<b>-875,000</b>	<b>-218,200</b>	<b>-205,000</b>	<b>-227,200</b>	<b>-150,000</b>	<b>-40,000</b>	<b>-1,715,400</b>
<b>Balance</b>	<b>0</b>	<b>245,632</b>	<b>0</b>	<b>231,969</b>	<b>0</b>	<b>0</b>	<b>477,601</b>

Board Report - General Account 2017/2018	Proposed Budget	Year to Date			Forecast
		Profiled Budget	Actual as at 28/02/18	Variance	
<b>SWLEP General Account</b>					
<b>Central Government</b>					
BIS Core Funding	£250,000	£250,000	£250,000	£0	£250,000
Capacity Funding	£250,000	£250,000	£250,000	£0	£250,000
<b>Partner Contributions</b>					
<b>Forecast Balance b/f 2016/2017 DCLG</b>	£327,265	£327,265	£327,265	£0	£327,265
<b>Interest 2017/2018</b>	£50,000	£0	£0	£0	£50,000
<b>Total Income</b>	<b>£877,265</b>	<b>£827,265</b>	<b>£827,265</b>	<b>£0</b>	<b>£877,265</b>
<b>Governance</b>					
Board Development	£10,000	£8,000	£9,766	£1,766	£10,000
Board Expenses	£15,000	£13,000	£4,701	£8,299	£15,000
Accountable Body Charge	£50,000	£0	£0	£0	£50,000
<b>Administration</b>					
SWLEP Staffing	£409,000	£374,917	£385,062	£10,146	£419,000
<b>Communications/Marketing</b>					
Media Support	£60,000	£50,000	£106,959	£56,959	£120,000
<b>Projects</b>					
Sub Group:	£45,000	£0	£0	£0	£0
Transport Improvement	£75,000	£40,000	£0	£40,000	£0
Business Development		£0	£24,162	£24,162	£24,162
Digital Capability	£40,000	£0	£0	£0	£40,000
Skills and Talent	£45,000	£45,000	£15,350	£29,650	£45,000
Place Shaping	£25,000	£25,000	£25,000	£0	£25,000
Independent Technical Advisors	£25,000	£18,750	£0	£18,750	£17,000
Policy Development - Economic Assessment	£40,000	£25,000	£14,482	£10,518	£30,000
LEP Network	£6,000	£6,000	£6,000	£0	£6,000
<b>Total Expenditure</b>	<b>£845,000</b>	<b>£605,667</b>	<b>£591,482</b>	<b>£14,185</b>	<b>£801,162</b>
<b>Balance SWLEP General Account</b>	<b>£32,265</b>	<b>£221,598</b>	<b>£235,783</b>	<b>£14,184</b>	<b>£76,103</b>

Board Report - SWLEP Projects 2017/2018	Proposed Budget	Year to Date			Forecast
		Profiled Budget	Actual as at 28/02/18	Variance	
<i>Growing Places Capital</i>					
<b>Forecast Balance b/f 2016/2017</b>	<b>£6,141,237</b>	£6,141,237	£6,141,237	£0	£6,141,237
Loan Repayments	£0	£0	£0	£0	£2,535,000
<b>Total Income</b>	<b>£6,141,237</b>	<b>£6,141,237</b>	<b>£6,141,237</b>	<b>£0</b>	<b>£8,676,237</b>
Park Lane Corsham	£1,850,000	£1,850,000	£0	£1,850,000	£0
Opencall - Woods Group	£1,000,000	£1,000,000	£1,279,235	£279,235	£1,279,235
<b>Total Expenditure</b>	<b>£2,850,000</b>	<b>£2,850,000</b>	<b>£1,279,235</b>	<b>£1,570,765</b>	<b>£1,279,235</b>
<b>Balance Growing Places Capital</b>	<b>£3,291,237</b>	<b>£3,291,237</b>	<b>£4,862,002</b>	<b>£1,570,765</b>	<b>£7,397,002</b>
<i>Growing Places Revenue</i>					
<b>Forecast Balance b/f 2016/2017</b>	<b>£532,575</b>	£532,575	£532,575	£0	£532,575
Consultants	£20,000	£15,000	£15,600	£600	£20,000
Legal Fees	£20,000	£15,000	£1,259	£13,742	£20,000
Strategic Investment Manager	£54,200	£70,675	£0	£70,675	£54,200
<b>Total Expenditure</b>	<b>£94,200</b>	<b>£100,675</b>	<b>£16,859</b>	<b>£83,817</b>	<b>£94,200</b>
<b>Balance Growing Places Revenue</b>	<b>£438,375</b>	<b>£431,900</b>	<b>£515,717</b>	<b>£83,817</b>	<b>£438,375</b>
<i>Higher Futures</i>					
<b>Forecast Balance b/f 2016/2017</b>	<b>£698,169</b>	£698,169	£698,169	£0	£698,169
<b>Total Expenditure</b>	<b>£337,100</b>	<b>£309,008</b>	<b>£177,071</b>	<b>£131,937</b>	<b>£239,000</b>
<b>Balance City Deal</b>	<b>£361,069</b>	<b>£389,161</b>	<b>£521,098</b>	<b>£131,937</b>	<b>£459,169</b>
<i>Growth Hub</i>					
<b>Forecast Balance b/f 2016/2017</b>	<b>£10,000</b>	£10,000	£10,000	£0	£10,000
<b>Total Income</b>	<b>£205,000</b>	<b>£169,000</b>	<b>£205,000</b>	<b>£36,000</b>	<b>£205,000</b>
<b>Total Expenditure</b>	<b>£215,000</b>	<b>£179,000</b>	<b>£236,359</b>	<b>£57,359</b>	<b>£215,000</b>
<b>Balance Growth Hub</b>	<b>£0</b>	<b>£0</b>	<b>£21,359</b>	<b>£21,359</b>	<b>£0</b>
<i>Careers &amp; Enterprise</i>					
<b>Forecast Balance b/f 2016/2017</b>	<b>£38,127</b>	£38,127	£38,127	£0	£38,127
<b>Total Income</b>	<b>£75,873</b>	<b>£56,906</b>	<b>£37,825</b>	<b>£19,081</b>	<b>£75,873</b>
<b>Total Expenditure</b>	<b>£114,000</b>	<b>£85,500</b>	<b>£50,645</b>	<b>£34,855</b>	<b>£114,000</b>
<b>Balance Careers &amp; Enterprise</b>	<b>£0</b>	<b>£9,533</b>	<b>£25,307</b>	<b>£15,774</b>	<b>£0</b>



**This page left  
intentionally blank**

 <b>Swindon &amp; Wiltshire</b> LOCAL ENTERPRISE PARTNERSHIP	<b>Board Meeting</b> <b>21 March 2018</b> <b>Paper Number 3.12</b>
--	--

<b>Security Level:</b>	Confidential <input type="checkbox"/>	Restricted <input type="checkbox"/>	Unclassified <input checked="" type="checkbox"/>	Commercially Sensitive <input type="checkbox"/>
------------------------	---------------------------------------	-------------------------------------	--	---

<b>Meeting &amp; Date:</b>	SWLEP Board Meeting – Wednesday, 21 March 2018		
<b>Subject:</b>	Corsham Mansion House – Updated Outline Business Case		
<b>Attachments:</b>	None		
<b>Author:</b>	Ian Durston Matt Croston	<b>Total no of sheets:</b>	5

<b>Papers are provided for:</b>	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
---------------------------------	--	-------------------------------------	--------------------------------------

## 1. Purpose

- 1.1. The Corsham Mansion House Outline Business Case has been updated with cost information from the procurement exercise carried out by Wiltshire Council, and to reflect the current plans for the building. Project milestones have also been updated to align with the proposed build programme. The paper is submitted for approval in order for construction work to commence.

## 2. Summary

- 2.1. The Corsham Mansion House Outline Business Case (OBC) has been updated with cost information from the procurement exercise carried out. The OBC has previously been reviewed by a SWLEP Independent Technical Advisor (Steer Davies Gleave). The updated OBC has been reviewed by the SWLEP Programme Manager and is in line with the original OBC but with refined cost information. This has resulted in a Benefit Cost Ratio of 2.17:1 (previously 3.5:1) due to revised benefit calculations. This represents good value for money. This updated OBC also reflects the latest strategic position in relation to the project, including the status of relationships with relevant partners.
- 2.2. Now that planning approval has been granted and a works contractor appointed, Wiltshire Council is engaging with Corsham Institute and other partners to progress the project, including discussing the operation of the building and the Digital Corsham vision. This engagement activity commenced in January 2018, and it will address a risk highlighted in the recent Steer Davis Gleave project audit which identified concerns regarding project relationships and associated partnerships.
- 2.3. The OBC document is structured around the Treasury's recommended green book five case model for a Business Case (strategic case; economic case; financial case;

commercial case; and management case) and is available to view on the SWLEP website through the following link:

[https://swlep.co.uk/docs/default-source/programmes/local-growth-fund-lgf/outline-business-cases/corsham-mansion-house-outline-business-case-march-2018.pdf?sfvrsn=51151572\\_4](https://swlep.co.uk/docs/default-source/programmes/local-growth-fund-lgf/outline-business-cases/corsham-mansion-house-outline-business-case-march-2018.pdf?sfvrsn=51151572_4)

- 2.4. Approving this OBC will enable the construction work for the project to commence and meet its completion date of November 2018. If the OBC is not approved, then delays to this timescale will be encountered (though it should be noted that Wiltshire Council is currently proceeding at risk with construction).

### **3. Recommendation**

The Swindon and Wiltshire Local Enterprise Board is recommended to:

- 3.1. approve the updated Outline Business Case for Corsham Mansion House enabling the release of funding to support the construction work.

### **4. Detail**

#### **Background**

- 4.1. Corsham is in the A350 Growth Zone in the Swindon and Wiltshire Local Enterprise Partnership's Strategic Economic Plan and is a centre for Digital/Cyber and Information and Communication Technology. The project will renovate the Mansion House in the centre of Corsham into a facility to be used for business incubation and a variety of networking, learning and collaboration activities in the digital arena.

#### **Strategic Case**

- 4.2. Corsham is home to a growing cluster of digital industries and a unique ICT infrastructure has built up around Corsham where the Ministry of Defence (MOD) and the private sector have invested heavily in secure communications and data storage.
- 4.3. The Corsham Mansion House project will build on these identified strengths and provide a facility that will incubate enterprises with a digital outlook. The Mansion House will nurture businesses, provide a collaborative working environment (including the scheduling of business events where the sector can come together to share ideas and network), and provide access to training and learning opportunities. In addition the Mansion House can provide teaching space to enable the delivery of courses relating to the digital sector, and opportunities to engage with the industry, academia, institutions, the public sector and the general public.
- 4.4. The project aims include:



- The creation of business incubation space for digital entrepreneurs, start-ups and growing SMEs.
- Increasing the provision of business support services for digital entrepreneurs and SMEs.
- The joining up of different business support and skills initiatives that exist across the SWLEP area to enable economic growth and promote inward investment.
- Strengthening the “pipeline” of digital start-up and scale-up businesses and improve business outcomes.
- The creation of teaching space, which can facilitate the opportunity to deliver higher-education courses within the heart of Corsham;
- Providing opportunities to enable different members of community (for example, the public, industry, institutions, academia, and the public sector) to come together in an open environment that is supportive of engagement, collaboration and innovation.

### **Economic Case**

- 4.5. The preferred ‘Do Something’ option is to pursue a Town Centre option, which renovates the Corsham Mansion House. Other options would not be in Corsham and in the centre of the community, and therefore, would not benefit (through a subsequent phase) from the digital platform. The main economic benefits that can be quantified are derived from high-value jobs growth. The scheme can support the creation of space for 54 workers, 21 new incubation units, and 180 sq m of teaching space. Over the 10-year appraisal period it is estimated that the Mansion House can create 144 direct jobs (173 jobs including indirect and direct). The scheme has a benefit-cost ratio of 2.17, which represents good value for money. Operating costs have been included to cover, all operational running costs - utilities, maintenance, marketing, insurance, business rates and other centre running expenses. These have been estimated based on observed values of running similar centres. Average annual operating costs have been calculated at £50,000 per annum (Based on the current operating costs of the TEN buildings).

<b>COSTS –</b>	<b>£m PV (2017)</b>
Capital Costs	£2,500,000
Operating Costs	£427,966
<b>BENEFITS</b>	<b>£m PV (2017)</b>
Employment Benefits	£5,430,347
Revenue	£523,113
<b>APPRAISAL</b>	
Present Value of Costs (PVC)	£2,500,000
Present Value of Benefits (PVB)	£5,430,347
Net Present Value (NPV)	£2,930,347
Benefit Cost Ratio (BCR)	2.17

#### 4.6 Other benefits not (fully) quantified or monetised include:

- Agglomeration benefits of collaboration, including increased cross-fertilisation of ideas and increased levels of innovation.
- Increased upskilling through direct skills training, including associated job creation.
- Renovation / saving and use of a historic building and well-known community asset, and the regenerative effects in the town and its high street.
- More efficient energy use and reduced levels of pollution from supporting growth in the digital sector.
- Grow on space linked to potential future phases of development.

### **Commercial Case**

4.7. Wiltshire Council is the Accountable Body and lead delivery partner, and it will retain ownership of the asset. As such, the work has been procured by the Council in accordance with its Procurement and Contract Rules. Wiltshire Council is an experienced deliverer of similar schemes and has utilised its Risk Management System. Wiltshire Council is satisfied the scheme is not subject to State Aid issues. Construction began at risk in February 2018, with completion scheduled for November 2018.

### **Financial Case**

4.8. In developing this business case, an outline Masterplan with costings has been developed by qualified architects, planners and construction consultants who have considered the building in its current state and its Grade II listed status.

- 4.9. The scheme is affordable and any cost overruns will be met by Wiltshire Council. The application for funding from Central Government through the Local Growth Deal Round 2 submission was £2.56m and £2.5m was secured. The local match for this project equates to 37% of the total project cost. Operating costs would be covered by the forecast operating revenues, returning a small operating profit.
- 4.10. The scheme has the full support of the Leader, Cabinet and relevant Committees and Boards of Wiltshire Council to ensure public accountability has been considered. The scheme is also a key priority for the SWLEP.

### **Management Case**

- 4.11. For the project construction work, the SWLEP and Wiltshire Council have suitable and strong governance for the detailed planning and delivery of this scheme, with Wiltshire Council as lead delivery partner. Recognised good practice in project management, risk management, and change management will be deployed. Contractors and external contractors will be used appropriately to help minimise the risk of the scheme and to deliver it to time, budget and quality. The scheme will be subject to a gateway review in line with the SWLEP's Assurance Framework.
- 4.12. Operation of the Mansion House will initially be carried out by Wiltshire Council, but with a view to working with a partner (or range of partners) going forward who can:
- Educate/stimulate digital businesses
  - Run events and seminars
  - Provide support to businesses
- 4.13. This would be done alongside wrap around administrative support from Wiltshire Council.

### **Independent Technical Assessment**

- 4.14. This Outline Business Case was originally reviewed by the Independent Technical Assessor, Steer Davies Gleave in 2014 and approved by the SWLEP Board for submission as part of the Local Growth Deal Round 2 submission to Central Government.
- 4.15. This update to the Outline Business Case produced as a result of finalised costs has been reviewed by the SWLEP Programme Manager and assessed as being in line with the original OBC.



**Swindon & Wiltshire**  
LOCAL ENTERPRISE PARTNERSHIP

**Board Meeting  
21 March 2018**

**This page left  
intentionally blank**

<b>Security Level:</b>	Confidential <input type="checkbox"/>	Restricted <input type="checkbox"/>	Unclassified <input checked="" type="checkbox"/>	Commercially Sensitive <input type="checkbox"/>
------------------------	---------------------------------------	-------------------------------------	--	---

<b>Meeting &amp; Date:</b>	SWLEP Board Meeting – Wednesday 21 March 2018		
<b>Subject:</b>	LGF Finance Summary		
<b>Attachments:</b>	None		
<b>Author:</b>	Ian Durston	<b>Total no of sheets: (inc cover sheet)</b>	11

<b>Papers are provided for:</b>	Approval <input checked="" type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input type="checkbox"/>
---------------------------------	--	-------------------------------------	--------------------------------------

## 1. Purpose

This paper summarises the current financial status across the various streams of LGF funding.

## 2. Summary

For LGF projects, we are currently forecasting a cumulative underspend of £7.3m at the end of this financial year (17/18). It should be noted, though, that actual spend for some projects is behind forecast profile and therefore may add to the underspend position at year end if this spend does not catch up. A final end of year position for 2017/18 will be known for the next Board meeting in May.

The re-profiling of the Maltings project has caused our forecast spend to exceed our grant allocation by £3.3m in 2019/20. With the underspend situation mentioned above, it is likely that the forecast spend for 2019/20 will reduce anyway, so this is unlikely to be an issue, but it does need to be monitored.

It should also be noted that it has now been agreed by the SWLEP Board and with the Department for Transport that the Chippenham Station Hub scheme can be removed from the Retained Scheme portfolio and moved to the LGF portfolio (as detailed in Section 1). The transfer of this money will take place from the beginning of 2018/19 financial year, from when Chippenham Station Hub will be reported in Section 1. The un-retaining of this project gives the Board more flexibility on the use of the funding, but it may also contribute to the underspend situation if this project does not spend to profile.

### **3. Recommendations**

The SWLEP Board is recommended to:

- 3.1 approve the forecast spend for 2018-19; and
- 3.2 note the forecast spend for 2019-20 onwards.

### **4. LGF Finance Summary**

- 4.1 The following projects fit into this category

#### Growth Deal Round 1

- A350 Chippenham Bypass Dualling (Bumpers Farm)
- A350 Chippenham Bypass Dualling (Badger, Brook and Chequers)
- A429 Access Improvements (Malmesbury)
- LGF Sustainable Transport (LSTF)
- M4 Junction 16 Improvements
- Porton Science Park
- Swindon Rapid Transit

#### Growth Deal Round 2

- Mansion House (Corsham)
- M4 Junction 17 Improvements
- Swindon Bus Exchange
- Yarnbrook West Ashton Relief Road

#### Substituted Projects (for M4 Junction 15)

- Salisbury Plain Heritage Centre
- Swindon Museum and Art Gallery
- Ultra Fast Broadband

#### Growth Deal Round 3

- Wiltshire College - Salisbury
- Wiltshire College - Lackham
- Maltings and Central Car Park - Salisbury

- 4.2 Table 1 shows the actual spend for each project to date against what is forecast to be spent during the course of the year (blue lines). At the bottom of the table is the total of all the project lines, plus the profile of the grant that we receive from BEIS (shown in the orange line). These total lines are shown graphically in Figure 1a.
- 4.3 Figure 1b also shows the position of total cumulative forecast profiled spend against the total cumulative grant.

- 4.4 In financial years 15/16 and 16/17, there was a total underspend of £4.2m against the grant allocation for reasons detailed in previous reports
- 4.5 We continue to forecast a total underspend of £7.3m at the end of 2017/18.
- 4.6 The actual spend to date in 2017/18 is behind profile with the risk increasing as we near the end of the financial year that the actual spend will not be as much as the forecast spend. This could add, approximately, a further £1.5m to the underspend situation.
- 4.7 The re-profiling of the Maltings project has caused our forecast spend to exceed our grant allocation by £3.3m in 2019/20. With the underspend situation mentioned above, it is likely that the forecast spend for 2019/20 will reduce anyway, so this is unlikely to be an issue, but it does need to be monitored.
- 4.8 It should also be noted that it has now been agreed by the SWLEP Board and with the Department for Transport that the Chippenham Station Hub scheme can be removed from the Retained Scheme portfolio and moved to the LGF portfolio. ). The transfer of this money will take place from the beginning of 2018/19 financial year, from when Chippenham Station Hub will be reported in Section I. The un- retaining of this project gives the Board more flexibility on the use of the funding, but it may also contribute to the underspend situation if this project does not spend to profile.
- 4.9 It should be noted that BEIS have awarded £89,630 of grant over and above the forecast profiling of all projects. How this money is to be used is to be determined.

**Table 1**

		15/16	16/17	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Total 17/18	18/19	19/20	20/21	TOTAL
A350 Bumpers Farm - COMPLETE	Original Grant Request	835,000	835,000									1,670,000
	Forecast Profile Spend	1,670,000										1,670,000
	Actual Spend to Date	1,670,000										1,670,000
A429 Malmesbury - COMPLETE	Original Grant Request	1,400,000										1,400,000
	Forecast Profile Spend	1,400,000										1,400,000
	Actual Spend to Date	1,400,000										1,400,000
Porton Science Park - COMPLETE	Original Grant Request	4,000,000										4,000,000
	Forecast Profile Spend	0	1,862,200	1,000,000	1,000,000			2,000,000	137,800			4,000,000
	Actual Spend to Date	0	1,862,200	697,000	1,440,800			2,137,800				4,000,000
A350 West Ashton/Yarnbrook	Original Grant Request								2,900,000	2,600,000		5,500,000
	Forecast Profile Spend	0	117,300					0	2,282,700	3,100,000		5,500,000
	Actual Spend to Date	0	117,300					0				117,300
M4 Junction 17	Original Grant Request									500,000		500,000
	Forecast Profile Spend	0	140,400		76,274	191,000	92,326	359,600				500,000
	Actual Spend to Date	0	140,400		76,274	191,000	92,326	359,600				500,000
Corsham Mansion House	Original Grant Request		1,900,000					600,000				2,500,000
	Forecast Profile Spend	26,200	155,500	19,000	52,000	85,000	717,000	873,000	1,391,000	54,300		2,500,000
	Actual Spend to Date	26,200	155,500	19,253	51,614	45,447	83,570	199,885				381,585
A350 Dualling Chippenham Bypass	Original Grant Request							2,370,000	2,370,000	2,360,000		7,100,000
	Forecast Profile Spend	0	667,000	27,000	647,000	1,422,000	1,955,000	4,051,000	2,028,000	354,000		7,100,000
	Actual Spend to Date	0	667,000	27,038	537,007	1,068,471	424,012	2,056,528				2,723,528
Ultra Fast Broadband	Original Grant Request							1,000,000				1,000,000
	Forecast Profile Spend	0	0					0	500,000	500,000		1,000,000
	Actual Spend to Date	0	0					0				0
Salisbury Plain Heritage Centre	Original Grant Request							425,000	925,000			1,350,000
	Forecast Profile Spend	0	0					0	1,350,000			1,350,000
	Actual Spend to Date	0	0					0				0
Swindon Museum and Art Gallery	Original Grant Request							425,000	925,000			1,350,000
	Forecast Profile Spend	0	0					0	1,350,000			1,350,000
	Actual Spend to Date	0	0					0				0
LGF Sustainable Transport (LSTF)	Original Grant Request	1,250,000	1,250,000					1,250,000				3,750,000
	Forecast Profile Spend	1,226,800	1,086,000	195,000	46,000	200,000	766,200	1,207,200	230,000			3,750,000
	Actual Spend to Date	1,226,800	1,086,000	195,000	37,000	273,000	5,000	510,000				2,822,800
M4 Junction 16	Original Grant Request		6,080,000					2,960,000		-3,120,000		5,920,000
	Forecast Profile Spend	875,800	4,185,500	814,000	2,269,000	895,700		3,978,700		-3,120,000		5,920,000
	Actual Spend to Date	875,800	4,185,500	814,000	1,057,000	1,103,000	6,000	2,980,000				8,041,300
Rapid Transit	Original Grant Request		164,000					3,283,000	3,283,000	3,120,000		9,850,000
	Forecast Profile Spend	0	55,000	83,000	16,000	234,000	1,477,000	1,810,000	4,780,000	3,205,000		9,850,000
	Actual Spend to Date	0	55,000	83,000	16,000	30,000	39,000	168,000				223,000
Swindon Bus Exchange	Original Grant Request							1,100,000	1,700,000	200,000		3,000,000
	Forecast Profile Spend	0	0		10,000	27,000	700,000	737,000	2,063,000	200,000		3,000,000
	Actual Spend to Date	0	0		10,000	12,000		22,000				22,000
Wiltshire College - Salisbury	Original Grant Request							2,300,000	2,300,000	2,300,000	6,930,000	13,830,000
	Forecast Profile Spend	0	0			392,000	278,000	670,000	2,850,000	4,830,000	5,480,000	13,830,000
	Actual Spend to Date	0	0			340,000	150,000	490,000				490,000
Wiltshire College - Lackham	Original Grant Request							1,360,000	1,360,000	1,360,000	4,120,000	8,200,000
	Forecast Profile Spend	0	0			44,000	193,000	237,000	1,863,000	1,569,000	4,531,000	8,200,000
	Actual Spend to Date	0	0			29,000		29,000				29,000
Maltings & Central Car Park - Salisbury	Original Grant Request							1,250,000	1,250,000	1,250,000	2,310,000	6,060,000
	Forecast Profile Spend	0	0	5,000	7,000	218,000	10,000	240,000	1,730,000	4,000,000	90,000	6,060,000
	Actual Spend to Date	0	0	9,018	7,860	219,443		236,321				236,321
Grant Annual		7,450,000	10,214,948					19,279,293	15,330,160	8,167,812	16,627,417	77,069,630
TOTAL Forecast Profile		5,198,800	8,268,900	2,143,000	4,123,274	3,708,700	6,188,526	16,163,500	20,272,800	13,875,000	13,201,000	76,980,000
TOTAL Actual		5,198,800	8,268,900	1,844,309	3,233,555	3,311,361	799,908	9,189,134	0	0	0	22,656,834



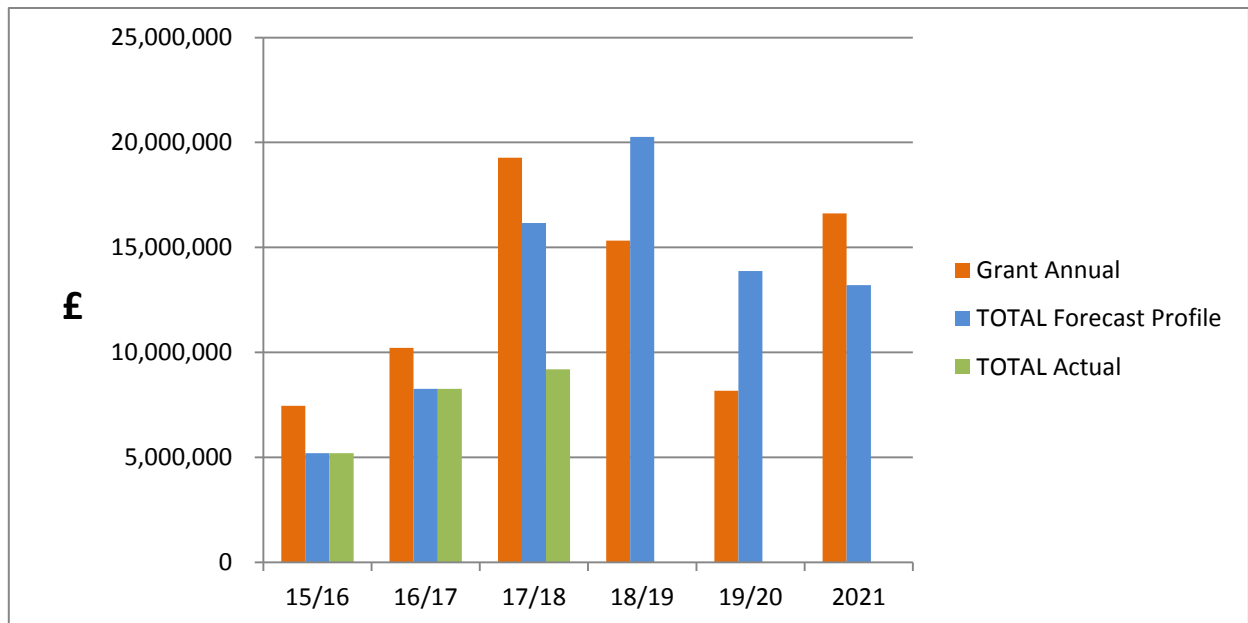


Figure 1a

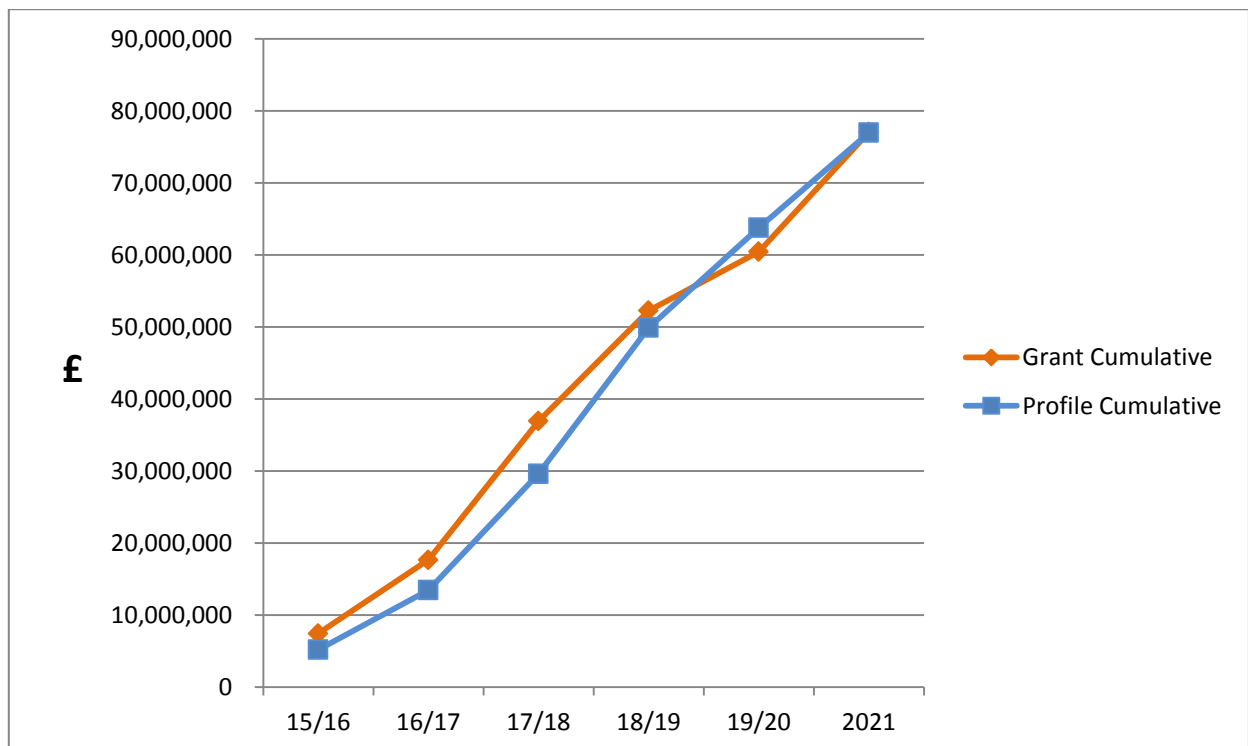


Figure 1b

## **5. LGF – DfT Projects Summary**

5.1 The following New Eastern Villages projects, while LGF projects, are funded by DfT with separate funding conditions, so are accounted for separately:

- NEV – Greenbridge Roundabout
- NEV – West Of A419 (Package 2)
- NEV – Great Stall Bridge
- NEV – A420 Gablecross

5.2 Table 2 shows the actual spend for each project to date (green lines) against what had been forecast to be spent during the course of the year (blue lines). At the bottom of the table is the total of all the project lines, plus the profile of the grant that we receive from DfT (shown in the orange line). These total lines are shown graphically in Figure 2a.

5.3 Figure 2b also shows the position of total cumulative forecast spend against the total cumulative grant.

5.4 It should be noted that the spend in 15/16 was cash flowed by Swindon Borough Council.

5.5 Spend is broadly following the profile agreed with DfT, though there is an increasing risk as we near the end of the financial year that actual spend will not be as much as forecast spend for 2017/18 .

**Table 2**

<b>Green Bridge Roundabout - COMPLETE</b>	Original Grant Request
	Forecast Profile Spend
	Actual Spend to Date

<b>West of A419 - Package 2</b>	Original Grant Request
	Forecast Profile Spend
	Actual Spend to Date

<b>A420 Corridor</b>	Revised Grant Request
	Forecast Profile Spend
	Actual Spend to Date

<b>Great Stall Bridge</b>	Revised Grant Request
	Forecast Profile Spend
	Actual Spend to Date

<b>Grant Annual (Revised)</b>
<b>TOTAL Forecast Profile</b>
<b>TOTAL Actual</b>

15/16	16/17	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Total 17/18	18/19	19/20	20/21	TOTAL
	2,000,000									2,000,000
591,500	1,408,500					0				2,000,000
591,500	1,408,500					0				2,000,000
								500,000	1,500,000	2,000,000
0	0					0		500,000	1,500,000	2,000,000
0	0					0				0
41,000	21,000					509,000	1,500,000	429,000		2,500,000
40,500	21,300	36,000	65,000	99,000	214,000	414,000	1,595,000	429,200		2,500,000
40,500	21,300	36,000	64,000	74,000		174,000				235,800
						500,000	1,761,000	4,696,000	643,000	7,600,000
0	0	5,000	0	50,000	50,000	105,000	1,646,000	4,339,000	1,510,000	7,600,000
0	0	5,000	0	21,000		26,000				26,000
0	2,021,000					1,009,000	3,261,000	5,625,000	2,143,000	14,059,000
632,000	1,429,800	41,000	65,000	149,000	264,000	519,000	3,241,000	5,268,200	3,010,000	14,100,000
632,000	1,429,800	41,000	64,000	95,000	0	200,000	0	0	0	2,261,800

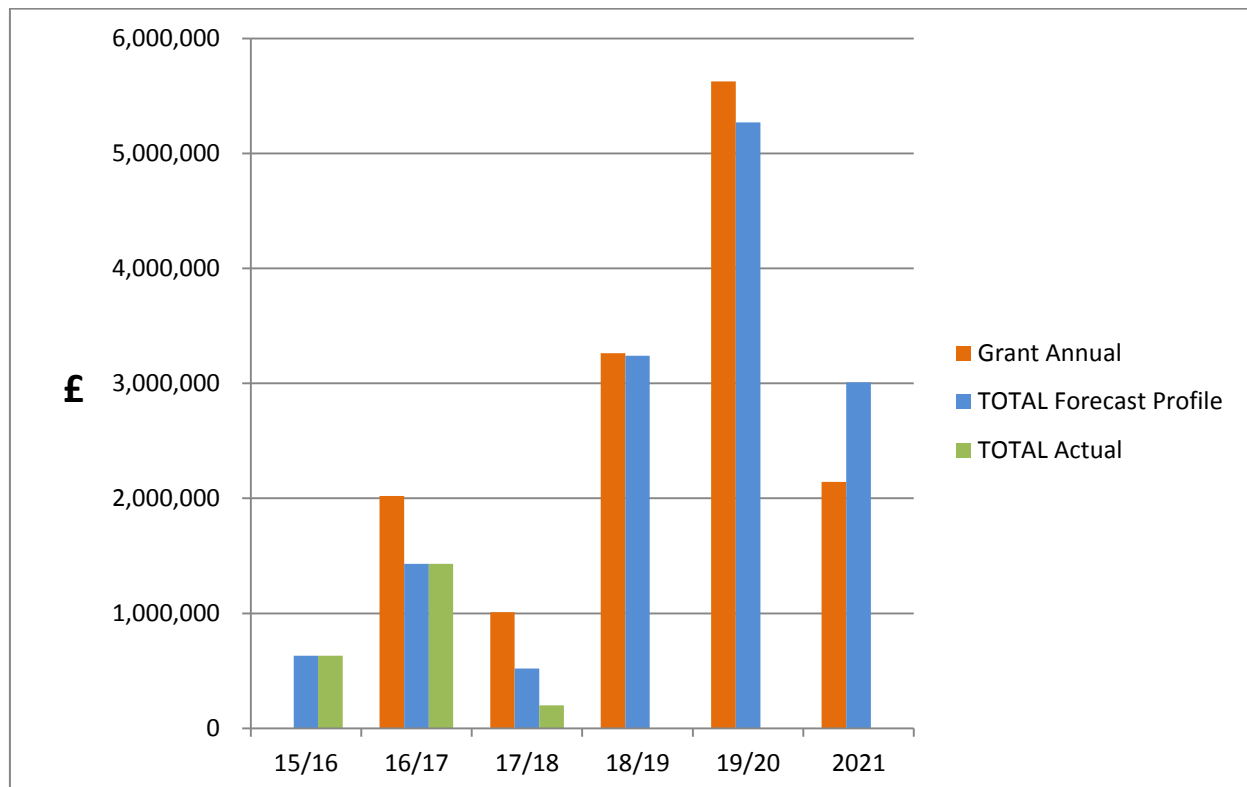


Figure 2a

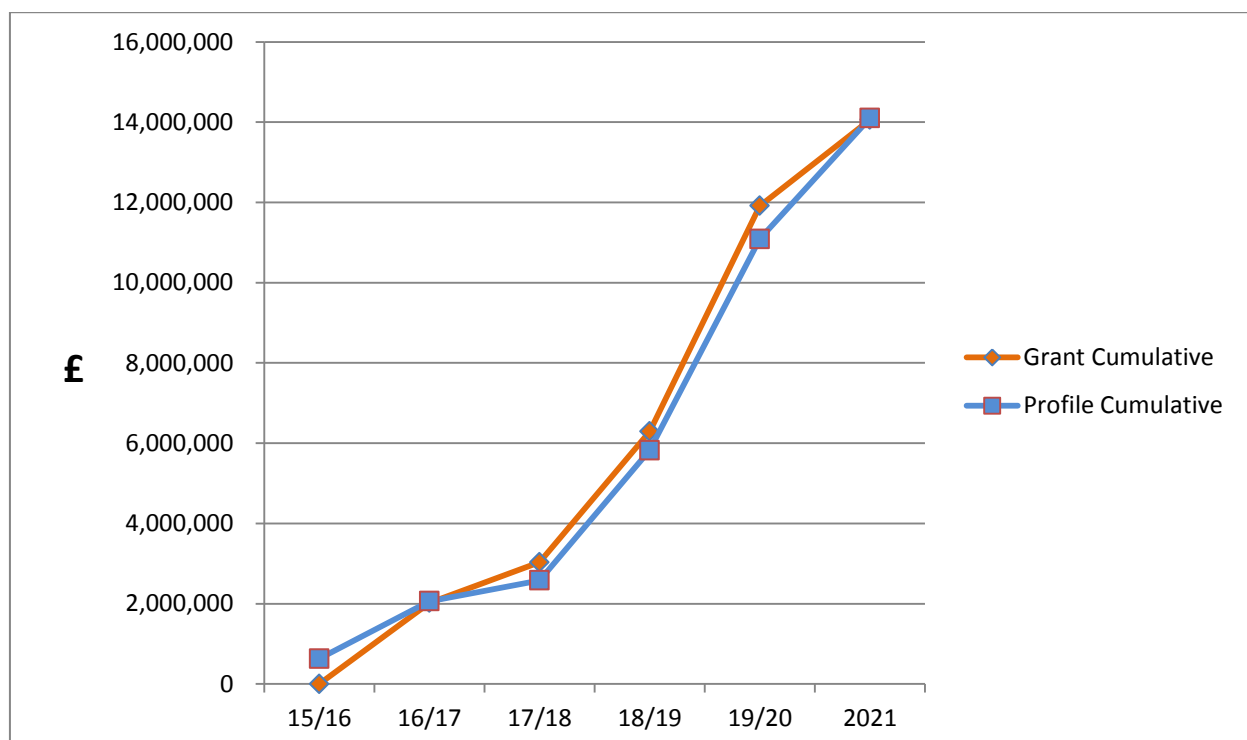


Figure 2b

## **6. DfT Retained Projects Summary**

6.1 The following projects have been retained by the DfT who require project status reporting as well as them controlling the grant payments. Chippenham Station Hub is in the process of being moved to the LGF pot, but is reported here while this process is underway:

- NEV – Business Case
- NEV – Southern Connector Rd
- NEV – White Hart Junction
- Chippenham Station Hub
- Whichelstowe Western Access

6.2 Table 3 shows the actual spend for each project to date (green lines) against what had been forecast to be spent during the course of the year (blue lines). At the bottom of the table is the total of all the project lines, plus the profile of the grant that we receive from DfT (shown in the orange line). These total lines are shown graphically in Figure 3a.

6.3 Figure 3b also shows the position of total cumulative forecast spend against the total cumulative grant.

6.4 Spend is broadly following the profile agreed with DfT, though there is an increasing risk as we near the end of the financial year that actual spend will not be as much as forecast spend for 2017/18 .

**Table 3**

Chippenham Station Hub	Revised Grant Request
	Forecast Profile Spend
	Actual Spend to Date
Wichelstowe Southern Access	Revised Grant Request
	Forecast Profile Spend
	Actual Spend to Date
New Eastern Villages - Business Case	Original Grant Request
	Forecast Profile Spend
	Actual Spend to Date
New Eastern Villages - White Hart Junction	Revised Grant Request
	Forecast Profile Spend
	Actual Spend to Date
New Eastern Villages - Southern Connector Road	Original Grant Request
	Forecast Profile Spend
	Actual Spend to Date
Grant Annual	
TOTAL Forecast Profile	
TOTAL Actual	

15/16	16/17	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Total 17/18	18/19	19/20	20/21	TOTAL
350,000						2,750,000	5,000,000	7,900,000		16,000,000
27,900	114,000	0		1,000,000	1,368,100	2,368,100	5,000,000	5,000,000	3,490,000	16,000,000
27,900	114,000		76,135	46,817	15,304	138,256				280,156
						200,000	2,700,000	10,000,000	10,000,000	22,900,000
0	0	23,000	50,000	127,000		200,000	2,470,000	10,230,000	10,000,000	22,900,000
0	0	23,000	50,000	64,000	27,000	164,000				164,000
500,000										500,000
381,900	118,100					0				500,000
381,900	118,100					0				500,000
	600,000					400,000		11,000,000	10,500,000	22,500,000
0	28,000	5,000	19,000	100,000	853,000	977,000		11,000,000	10,495,000	22,500,000
0	28,000	5,000	19,000	66,000		90,000				118,000
								5,800,000	5,800,000	11,600,000
0	0					0		5,800,000	5,800,000	11,600,000
0	0					0				0
850,000	600,000					3,350,000	7,700,000	34,700,000	26,300,000	73,500,000
409,800	260,100	28,000	69,000	1,227,000	2,221,100	3,545,100	7,470,000	32,030,000	29,785,000	73,500,000
409,800	260,100	28,000	145,135	176,817	42,304	392,256	0	0	0	1,062,156

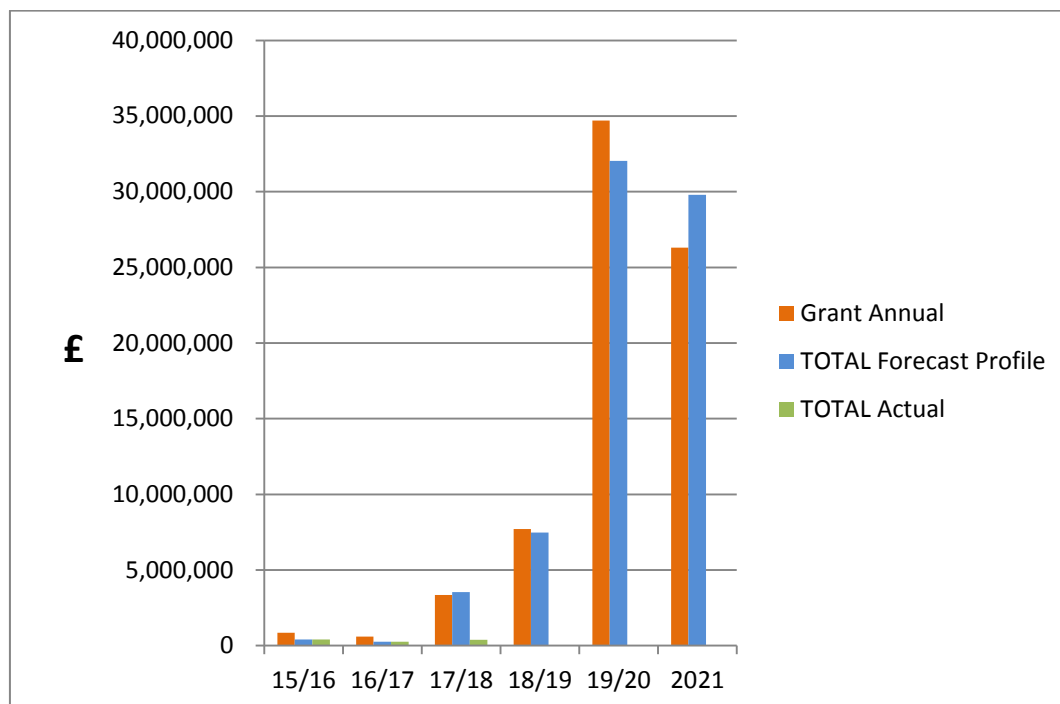


Figure 3a

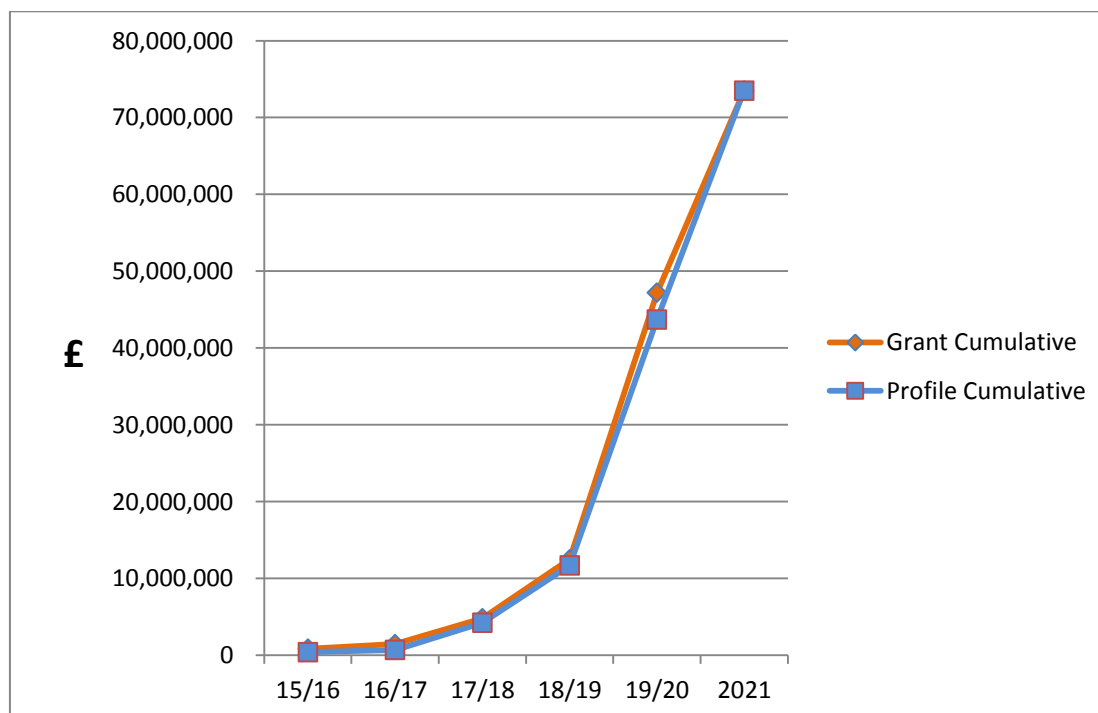


Figure 3b

**Ian Durston, SWLEP Programme Manager**

**12 March 2018**