

Item 4 Annex v

Highlight Report on the Packages

Commitment

Package	Allocation	Committed or Approved subject to contract	Pipeline or Projects under Appraisal	Balance Remaining
South Black Country	£9,293,952	£10,212,982		-£919,030
North Black Country	£9,854,061	£9,861,234		-£7,173
Coventry & Nuneaton	£11,976,207	£11,503,316	£1,675,242	-£1,202,351
North Staffordshire	£11,698,734	£9,914,321	£1,059,000	£725,413
Birmingham	£19,540,901	£19,517,704		£23,197
Solihull	£8,586,726	£8,742,499		-£155,773
Total	£70,950,581	£69,752,056	£2,734,242	-£1,535,717

Spend

Package	Cumulative Package Spend to Date	2012 Cumulative Spend Target	Forecast Spend 2012 (from Package Owner)
South Black Country	£573,291	£2,239,747	£2,811,011
North Black Country	£824,221	£2,799,856	£1,378,083
Birmingham	£1,859,058	£5,432,491	£6,000,000
Solihull	£1,070,994	£2,413,808	£2,573,643
Coventry & Nuneaton	£4,497,875	£4,922,002	£4,928,043
North Staffordshire	£2,989,027	£4,644,529	£5,133,228
Total	£11,814,466	£22,452,433	£22,824,008

Commentary from the Priority Manager

South Black Country

The Package is over committed by almost £1m. There is limited scope to reduce this amount as the majority of the budget is taken up by two large capital projects. The Package Manager is forecasting that the package will meet this year's spend target. However, progress on spend remains poor, and with key schemes such as Castle Hill Vision forecasting slippage, meeting the spend target will be extremely challenging. A priority for the Package is to manage down the risk of decommitment, by ensuring activity continues unabated and claims are submitted accurately and on time.

North Black Country

The lion's share of the package is given to a large gap funding scheme with an ERDF value of £6.7m. The project has been approved and the draft funding agreement issued. This will take the package up to full commitment. However, gap funding schemes are highly exposed to slippage, which will make achievement of spend targets challenging. A break clause is in place to facilitate decommitment of grant from this project in the event of underperformance. The Package has forecast a spend shortfall against their N+2 spend target of circa 50%.

Birmingham

A large share of the Birmingham package is being delivered through a suite of gap funding schemes and as shown in item 5, these projects are having difficulty converting expressions of interest into viable investments. Very low levels of spend in these projects expose the package to a risk of decommitment.

Solihull

The Package is taking steps to manage its over commitment. It has reduced its allocation to the Investing in the City Region project by £300k. Providing there are no delays to their capital projects, which could lead to decommitment, the Package should be able to deliver all its projects within budget.

Coventry & Nuneaton

Excluding its pipeline project, the Package has a budget surplus. In order to deliver the pipeline project it would require more funds to be made available from elsewhere.

North Staffordshire

Has a surplus of £725k which is not allocated to any pipeline project. The Package will need to identify a project to come forward soon, otherwise LMC may need to consider reallocating the surplus so that all funds can be committed by December 2013.

23 August 2012