

Deadline for return – 15 October 2009 (Quarter 2 Performance Report)

Local Area Agreement 2008-2011

LAA Priority: Improve business productivity of the renewable energy sector in Devon (LAA 4)

Lead Contact: Melanie Sealey

RAG Status: **Amber**

RED = fundamental blockage to progress with milestones and/or achievement of target
AMBER = positive movement but with risks to achievement of milestones and/or target (so cannot say with confidence that priority would be achieved)
GREEN = on track to achieve target and Milestones

Delivery Board Recommendations *(Please list any decisions/actions required on the part of the Delivery Board)*

Delivery Board are asked to:

- Note that currently there is no revenue funding for this project beyond March 2010.
- Assist in fund raising when requested e.g. provide letters of support for EU bids

- Note that the economic climate and consolidation in the industry, moving jobs and companies out of Devon, is affecting RE sector growth figures. Only a handful of companies have more than 10 employees and this is affecting Turnover per employee and GVA. Baseline is based on regional report including proportion of larger companies so this will now be hard to achieve – suggest this is changed to focus on RE4D installers' historical data if possible.

Summary Statement:

No more than 350 words summarising RAG status – performance overall against delivery plan, performance against National and Local indicators and detail of action taken to address underperformance (if relevant)

RE4D is funded to continue until March 2010, largely due to funding from DCC. Targets for business support, installations, RE sector support and RE sector training are being delivered across all of Devon (all except Plymouth and Torbay). Autumn 09 Installer training programme was launched in September, with up to 130 places delivered by end Dec 09. £211k of the £250k capital grants have been awarded, but installations and claims are slow, meaning some of this will not be spent until next financial year. The expenditure of this fund will continue to support our other targets.

As reported last time - The current economic climate has had an impact on the RE sector and this is also being affected by some of the larger companies being bought by national organisations or moving out of Devon. This means that we are not even achieving the baseline turnover by employee and GVA figures, set on the basis of a regional report commissioned by RegenSW. There is also consolidation among the smaller SMEs in Devon. However, installations and RE4D Grants are continuing and carbon dioxide savings are ahead of our target. Combined turnover of those responding to our survey (36 orgs of a possible 64) is up £2.9m with jobs up 30%.

We are continuing work with French partners on the delayed Interreg bid, still with the aim to submit a bid in March 2010 with a start date of July 2010. There is an all partner meeting planned in Devon in November 2009. We are also working on "Competitiveness" EU funding for business support as an alternative option and will need to consider gap funding from Apr-Jun 2010 in addition.

****Please update the data for quarter 2** - no update for this section – we will only get this data annually**

Performance Indicators – National and Local

Code	Title	+/- (see 1 below)	Year 08/09	Annual Target	Status (see 2 below)	Improvement (see 3 below)	Actual to Date	Officer Notes
LAA4	Growth in business productivity (GVA)	-		None for 08/09.	Well below target for 09/10 and below baseline	Worse performance than baseline and prev year	Turnover per employee fig £79,157. No GVA data available	Recession has affected TO per employee. Also some larger cos have moved or part moved from Devon making av turnover per employee less than baseline. Need to consider revising the baseline, based on regional study not Devon info.
LAA4	Tonnes of CO2	+		None for 08/09	Well above target for 2009/10	Unchanged	1694 tonnes of CO2 saved p.a.	08/09 fig is ahead of 09/10 target

Key to symbols (insert as appropriate):

1. + equals higher figures are better and – equals lower figures are better
2. **No Data/Well Below Target/Below Target/On Target/Above Target/Well Above Target**
3. (Improved Performance (Worse Performance (Unchanged

Key Milestones (Last Quarter – Quarter 2 09/10, ends 30 September 09)

	Description	Date	Outputs expected	Achieved/missed
1.	Grants panel meeting	29 th July	Further RE installations	Achieved. £211k of £250k allocated
2.	Draft of Interreg bid	Early Sept	Partners agree final bid submission in Oct 09	Delayed – French partners could not be ready – aiming for Mar 2010 deadline.
3.	Launch supplier training	Sept	Increased installer	Launched – 130

	programme		employees trained, jobs safeguarded and skills and GVA improved.	training places delivered Oct-Dec 09
4.	Work with SWRDA on Competitiveness commissioning	End Sept	RE enhancement to "Improve Your Resource Efficiency" programme by in place by end Dec 09	Meetings helped with SWRDA and on target for delivery. Needs DCC match.
5.	Investigate further turnover and FVA figures in RegenSW report used for baseline.	End Sept	More accurate/appropriate way of measuring Devon RE sector performance	Missed – take forward
6.	Complete detailed analysis of installer survey once all responses in	End Sept	Fully updated and analysed installer info. Summary report circulated to installers.	Not yet complete as still chasing for final few responses.

Key Milestones (This Quarter – Quarter 3 09/10, ends 31 December 09)

	Description	Date	Outputs expected
1.	Launch Competitiveness add on for Renewable Energy Support for Businesses. Needs DCC match sign off.	31/12/09	Business support infrastructure in place ongoing.
2.	Continue work with French partners on Interreg bid. French partners visit UK for meeting	Early November	Agreement on bid content
3.	Deliver supplier training	31/12/09	Up to 130 Supplier training places delivered
4.	c/f Investigate further turnover and FVA figures in RegenSW report used for baseline	End Dec	More accurate/appropriate way of measuring Devon RE sector performance
5.	c/f Complete detailed analysis of installer survey once all responses in	End Dec	Fully updated and analysed installer info. Summary report circulated to installers

Key Risks (Please update the following with reference to scoring guidelines below**)**

Risk	Impact	Likelihood	Score	Mitigation
1. Delivery is dependent on external funding applications beyond Mar 2010. These may not be successful	High	Medium	20	Significant time and effort is being put in to bids to EU funds. Won £15k from Ashden Trust which will assist with 09/10 delivery of CO2 reductions but limited impact.
2. Recession and restructuring in RE industry is affecting installers GVA targets	High	High	25	Targets should be revised downwards to take the impact of the recession and move of large cos out of Devon further into account.
3. Difficulty on	Med	Med	16	Incentivise installers to

collecting good quality information from installers				provide good quality information.
4. Difficulty collecting domestic information	Med	High	15	Incentivise domestic clients to report back when they install RE – e.g. prize draw
5. Do not meet carbon targets	Low	Low	4	Ahead of 09/10 target already and RE4D grants and mentor support for 09/10 mean 2011 target likely to be met in 09/10.
6.				

Spatial Implications – No update

C02 Savings

District	Impact (insert ✓ or x or unknown)	Disaggregated Data (✓ or x)	Examples of Local Delivery Outcomes
Exeter	Unknown		1 SME installation but no data as yet
East Devon	✓	✓	1 SME installation
Mid Devon	✓	✓	1 community RE4D supported installation
North Devon	✓	✓	11 new orgs have installed RE – 1 community, 3 schools, 2 charities, 5 smes
Torrige	✓	✓	4 new orgs – 1 charity, 1 community, 2 SMEs
West Devon	X	X	No new RE4D installs since Mar 08. Projects in progress
South Hams	X	X	No new RE4D installs since Mar 08. Projects in progress
Teignbridge	✓	✓	1 SME installation

Installer Growth

District	Impact (insert ✓ or x or unknown)	Disaggregated Data (✓ or x)	Examples of Local Delivery Outcomes
Exeter	✓	X – data not complete so not meaningful by district	Installers have received free training and support. Many of the training courses were run in Exeter. Over 90 employees have received training in total.
East Devon	✓	X – data not complete so not meaningful by district	Installers have received free training and support. Over 90 employees have received training in total.
Mid Devon	✓	X – data not complete so not meaningful by district	Installers have received free training and support. Over 90 employees have received training in total.
North Devon	✓	X – data not complete so not meaningful by district	Installers have received free training and support. Over 90 employees have received training in total.
Torrige	✓	X – data not complete so not	Installers have received free training and support. Over 90 employees have

		meaningful by district	received training in total.
West Devon	√	X – data not complete so not meaningful by district	Installers have received free training and support. Over 90 employees have received training in total.
South Hams	√	X – data not complete so not meaningful by district	Installers have received free training and support. Over 90 employees have received training in total.
Teignbridge	√	X – data not complete so not meaningful by district	Installers have received free training and support. Over 90 employees have received training in total.

*Risks – Scoring Guidelines:		
Likelihood of risk:	Impact of risk:	Total risk score (likelihood x impact)
1 – Very low 2 – Low 3 – Medium 4 – High 5 – Very high	1 – Insignificant 2 – Minor 3 – Moderate 4 – Serious 5 – Very serious	1 – 6 Low 8 – 12 Medium 14 – 20 High Over 20 Very high