

**Deadline for return – 21 January 2010 Quarter 3 Performance Report
(30th Sept – 31st Dec 09)**

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:

Delivery Board are asked to:

- Note that currently there is no confirmed 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 to be changed to reflect Devon information, rather than regional before end of 09/10.
- Note that the RE4D Capital Grants scheme, funded by DCC, has proved successful in stimulating the market and the entire 2010/11 budget will have been allocated before end March 2010.

Summary Statement:

Additional funding has been provided by DCC to continue RE4D with a full mentor service until March 2010. Targets for business support, installations, RE sector support and RE sector training are being delivered across all of Devon (all except Plymouth and Torbay).

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%.

There has been a further delay in raising the Cooperation Interreg EU funding, largely due to lack of commitment from French partners. The funding bid is now due to go in March 2010 with a start date of July 2010. 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. DCC has awarded grants worth £320k from the capital grants fund of £450k in the first 4 rounds. The final round for the remaining £130k is currently in progress and is heavily oversubscribed. The expenditure of this fund will continue to support our targets. Future role of DCC in supplying grants or another scheme, for example loans, is being considered but more work is required on considering the options.

Performance Indicators – National and Local

Code	Title	+/- (see 1 below)	Year	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 3 09/10, ends 31 December 09)

	Description	Date	Outputs expected	Achieved/missed
1.	Draft of Interreg bid	Early Sept	Partners agree final bid submission in Oct 09	Delayed – French partners could not be ready – now aiming for May 2010 deadline.
2.	Launch Competitiveness add on for Renewable Energy Support for Businesses. Needs DCC match sign off.	31/12/09	Business support infrastructure in place ongoing.	Delay at SWRDA means this will be available from Apr 2010
3.	Continue work with French partners on Interreg bid. French partners visit UK for meeting	Early November	Agreement on bid content	Achieved. Progressing and meetings took place in November and December
4.	Deliver supplier training	31/12/09	Up to 130 Supplier training places	Achieved. 1 additional course

			delivered	being run in Jan.
5.	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	Delayed until end Feb
6.	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	Delayed to end Feb – installers being slow to respond despite much chasing

Key Milestones (This Quarter - Quarter 4 09/10, ends 31 March 2010)

	Description	Date	Outputs expected
1.	DCC Agreement of Competitiveness proposal and prepare for launch in Apr 2010	End March 2010	Agreements signed with SWRDA and Business Link. 100 businesses supported through vouchers as add on to regional IYRE programme by Dec 2013.
2.	Decision by DCC Economy Unit on its future funding for RE4D	End March 2010	Funding identified or position clear if no future funding other than the Competitiveness project above.
3.	Set new baseline and targets for turnover by employee	End Feb 2010	GVA figures more realistic
4.	Continue work on French project.	End Mar 2010	Detailed Action Plan produced and agreed with French partners
5.	Chase installers and complete analysis. Circulate report	End Feb 2010	Summary produced.
6.	Prize draw incentive for domestic installations reporting	End March 2010	Updated report on domestic installations

Key Risks (*Please update 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 will be revised downwards to be based on Devon businesses rather than regional figures.
3. Difficulty on collecting good quality information from	Med	Med	16	Incentivise installers to provide good quality information.

installers				
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.

Spatial Implications – Please 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, 1 SME
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. Over 150 employees places have been provided with 1 further course in Jan10.
East Devon	√	X – data not complete so not meaningful by district	Installers have received free training and support. Over 150 employees places have been provided with 1 further course in Jan10.
Mid Devon	√	X – data not complete so not meaningful by district	Installers have received free training and support. Over 150 employees places have been provided with 1 further course in Jan10.
North Devon	√	X – data not complete so not meaningful by district	Installers have received free training and support. Over 150 employees places have been provided with 1 further course in Jan10.
Torrige	√	X – data not complete so not meaningful by district	Installers have received free training and support. Over 150 employees places have been provided with 1 further course in Jan10.
West Devon	√	X – data not complete so not meaningful by district	Installers have received free training and support. Over 150 employees places have been provided with 1 further course in Jan10.

South Hams	√	X – data not complete so not meaningful by district	Installers have received free training and support. Over 150 employees places have been provided with 1 further course in Jan10.
Teignbridge	√	X – data not complete so not meaningful by district	Installers have received free training and support. Over 150 employees places have been provided with 1 further course in Jan10.

*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