

Quarter 4 Performance Report (1st Jan 2010 – 31st March 2010)

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: **GREEN**

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 revenue funding for renewable energy supplier support and training has been allocated for 3 years from 2010/11 financial year. Demand side support to businesses will continue through an add-on to the regional "Improve Your Resource Efficiency" project delivered through Business Link. Additional DCC funded "vouchers" will enable support for 100 businesses. DCC funding for support to other sectors will cease unless the Cooperation EU bid is successful. However RE4D partners are maintaining the website and phone line and agreeing referral processes. For example domestic support will be largely covered through Energy Savings Trust funding.

- Assist in fund raising when requested e.g. provide letters of support for EU bid.

Quarter 4 Summary Statement:

The project is ahead of target on CO2 savings at Jun 09/10 and is expected to continue to meet or exceed this, due to more installations during 2009/10 and 2010/11 funded through RE4D grants. An annual update to this figure will be produced for the June 2010 report.

The baseline and targets for the renewable energy sector productivity proxy, turnover per employee, has been amended to reflect Devon actual figures, meaning that despite the recession these are now achievable. An annual installers survey carried out in April/May will provide an updated figure for the June 2010 report. Support for the renewable energy sector in the form of mentor, training courses and "technology growth plans" will continue through DCC funding for 3 years. Melanie Sealey's role in dealing with grant administration and legacy issues will continue 1 day per week.

There has been a further delay in raising the Cooperation Interreg EU funding. The funding bid is now being lead by Pauline Warner and Richard Hayman and is due to go in May 2010 with a start date of October 2010.

We have successfully gained £150k for business support vouchers as match to "Competitiveness" EU funding. This is for 100 businesses to receive demand-side support and will be delivered over 4 years via Business Link as an add-on to the regional "Improve Your Resource Efficiency" programme. DCC has awarded the total £450k capital grants fund with expenditure complete by March 2011. The future role of DCC in supplying another scheme, for example loans, is being considered but more work is required to develop this further.

End of year 2 review:**Achievements:**

DCC Grants budget of £450k has been allocated. Partners were instrumental in assisting clients with applications and ensuring deadlines were met. The final round was oversubscribed 5:1 and a scoring process was developed to shortlist applications prior to the decision panel meeting.

- o DCC match of £150k was agreed for the Competitiveness vouchers add-on. SWRDA are instrumental partners in setting this up with Business Link for delivery over 2010-2013. There has been a delay in delivery until May/June 2010 on the overall programme in terms of vouchers being allocated and currently legal agreements are being drawn up for the Devon element.
- o Supplier training: 85 training places delivered during 2009/10. This was under our original target, as take up on some courses was lower than expected. Technical courses were well attended with the management ones less so. Feedback is being used in future course development and bookings. Many cancellations were last minute and appeared to be due to installers not wanting to miss income from installations during a recession, despite having paid for the course. Charging for courses was undertaken for the first time this year and the move from “free” to “heavily subsidised” did not appear to be an issue. Partners worked on developing the course list, finding organisations to deliver them and ensuring quality of courses delivered. DCC managed the bookings and invoicing.

Outcomes for local people:

The DCC RE4D Grants have been awarded to 49 organisations for 61 installations. 27 have been installed. They are reducing their energy costs and reducing carbon emissions through these installations. Some organisations are able to extend their operating season by switching to renewables. Some installations are also generating income to feed back into communities or improve businesses profit margins. 8 of the organisations are managers of community buildings and the others are businesses or social enterprises/charities.

- o The supplier training is for Devon-based installers so all beneficiaries of the increased skills attained are Devon residents or businesses. This upskilling of suppliers will also improve the experience for Devon residents/organisations acting as renewable energy customers.

Value for money: Only 1 major change has improved value for money in terms of cost of delivering the programme and this has been moving from free to subsidised training. This enabled to training budget to be stretched further so more courses could be run.

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)	+	08/09	£90000	Above Target	↑	£94,296	Turnover per employee as proxy
			9/10	£93000				No data as yet – will be available for Jun report
LAA4	Tonnes of CO2 saved	+	08/09	1273	Above Target	↑	1694	

			9/10	1500				No data as yet – will be available for Jun report
--	--	--	------	------	--	--	--	---

Key to PI 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**

Well Below Target	Under	5%
Below Target	Under	0.0001%
On Target	On	
Above Target	Over	0.0001%
Well Above Target	Over	5%

3. Improved Performance **↑** Worse Performance **↓** Unchanged **↔** compared with the same period in the previous year

Key Milestones (Last Quarter – Quarter 4 09/10, ends 31 March 2010)

	Description	Date	Outputs expected	Achieved/missed
1.	Draft of Interreg bid	Early Sept	Partners agree final bid submission in Oct 09	Missed – bid now due for submission in May 2010
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.	DCC Match signed off. Legal agreements being drafted.
3.	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	Baseline recalculated using actual Devon figures from annual survey
4.	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	Summary report conveyed to installers as presentation at annual event in March 2010.
5.	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 2010.	See above – agreements in draft
6.	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.	Future funding identified for 3 years supplier support and 1 year reduced MS role.
7.	Set new baseline and targets for turnover by employee	End Feb 2010	GVA figures more realistic	Done (See above)

8.	Continue work on French project.	End Mar 2010	Detailed Action Plan produced and agreed with French partners	Action plan produced. Project development handed over to Pauline Warner for May 2010 submission.
9.	Chase installers and complete analysis. Circulate report	End Feb 2010	Summary produced.	Done as presentation
10.	Prize draw incentive for domestic installations reporting	End March 2010	Updated report on domestic installations	Done

Key Milestones (This Quarter - Quarter 1 2010/11 ends 30 June 2010)

	Description	Date	Outputs expected
1.	Installer survey	end May 2010	Update on productivity figures
2.	Carbon calculations	end May 2010	Update on CO2 savings figures
3.	Cooperation bid submission	10 th May 2010	Funding support
4.	Finalise Competitiveness agreements and arrangements	End May 2010	Business support in place

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	Minor 2	Low 2	Low 4	Some DCC funding has been committed for Business support on supplier and demand side and some MS time. Grants will also assist installations and carbon savings. Community and Domestic support still depends on bid.
2. Recession and restructuring in RE industry is affecting installers GVA targets	Moderate 3	Medium 3	Medium 9	Continue skills and support to enable them to register for accreditation schemes and maximise potential from new policy
3. Difficulty on collecting good quality information from installers	Serious 4	Medium 3	Medium 12	We have explained in detail why this is needed so expecting to be simpler this time. Time is being put aside for chasing by end May 2010.
4. Difficulty collecting domestic information				N/A – this will not be collected other than through ESTAC in future
5. Do not meet carbon targets	Moderate 3	Low 2	Low 6	We are ahead of target so not expecting this to be an issue.

***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
--	---	---

Spatial Implications – Please update – Data will be available for June report

C02 Savings

District	Impact (insert √ or x or unknown)	Disaggregated Data (√ or x)	Examples of Local Delivery Outcomes
Exeter			
East Devon			
Mid Devon			
North Devon			
Torridge			
West Devon			
South Hams			
Teignbridge			

Installer Growth

District	Impact (insert √ or x or unknown)	Disaggregated Data (√ or x)	Examples of Local Delivery Outcomes
Exeter			
East Devon			
Mid Devon			
North Devon			
Torridge			
West Devon			
South Hams			
Teignbridge			