

---

**AGENDA**

|             | <b>Subject</b>   | <b>Presenting</b> | <b>Pages</b> |
|-------------|--|-------------------|--------------|
| <b>1.</b>   | <b>LEP Board Agenda &amp; Papers</b><br>Agenda Papers    |                   | 3 - 22       |
| <b>1.1.</b> | <b>Appendix 1 - WoE Local Growth Assurance Framework</b> |                   | 23 - 58      |

This page is intentionally left blank

**West of England Local Enterprise Partnership  
Board Meeting  
Tuesday 2 April 2018, 16.00 - 17.30pm  
3 Rivergate, WECA Office, Bristol BS1 6ER**

**LEP Board:**

Prof Steve West, University of the West of England (Chair)

Cllr Tim Warren, Bath & NE Somerset Council  
Mayor Marvin Rees, Bristol City Council

Cllr Nigel Ashton, North Somerset Council  
Cllr Toby Savage, South Gloucestershire Council  
Mayor Tim Bowles, West of England Combined Authority

Christopher Grier, Airbus  
Martino Burgess, Gregg Latchams  
Mohammed Saddiq, Wessex Water

Neil Douglas, Viper Innovations

Dick Penny, Watershed  
David Brown, The Bristol Port Company

Jon Reynolds, GDS Digital  
Andrew Hodgson, KPMG  
David Pester, TLT Solicitors

Katharine Finn, PwC  
Prof Hugh Brady, University of Bristol  
James Durie, Business West

### Agenda

|                             | Subject  | Presenting | Suggested timings          |
|-----------------------------|--|------------|----------------------------|
| 1.                          | <b>Welcome and apologies</b><br>Apologies from Neil Douglas, Prof Hugh Brady, Cllr Tim Warren, Mayor Marvin Rees, Cllr Toby Savage, Cllr Nigel Ashton.   | Steve West | 16.00 - 16.10<br>(10 mins) |
| 2.                          | <b>Minutes of the meeting of 18<sup>th</sup> January 2019</b><br>To approve minutes from the previous meeting.   | Steve West |                            |
| 3.                          | <b>Declaration of Interest</b><br>All Board members have a responsibility to treat all proposals/projects equally and impartially and must therefore declare whether they or their organisation has either a direct or indirect interest in any of the projects to be considered by the Board. | Steve West |                            |
| <b>Items for discussion</b> |  |            |                            |
| 4.                          | <b>Local Industrial Strategy Update</b> <ul style="list-style-type: none"> <li>▪ Emerging themes [verbal update]</li> </ul>  | Steve West | 16.10 - 16.30<br>(20 mins) |

|                       |  |  |                            |
|-----------------------|--|--|----------------------------|
| 5.                    | <b>Employment and skills plan</b><br>[slide pack attached] | Stephen<br>Bashford /<br>Rachel Pykett | 16.30 - 16.50<br>(20 mins) |
| 6.                    | <b>LEP Collaboration</b><br>▪ M4 corridor                  | Helen Edelstyn                         | 16.50 - 17.05<br>(15 mins) |
| <b>Business Items</b> |  |  |                            |
| 7.                    | <b>LEP Assurance Framework</b>                             | Pete Davis                             | 17:05 - 17:15<br>(10 mins) |
| 8.                    | <b>LEP Board recruitment</b><br>[verbal update]            | Steve West                             | 17.15 - 17.25<br>(10 mins) |
| 9.                    | <b>AOB</b>   | All                                    | 17.25                      |

**Next meeting:**  
 Friday 17 May - AGM  
 Location: TBC

## West of England Local Enterprise Partnership

### Board meeting

Friday 18 January 2019, 9:30am – 11:30am

Kaposvar Room, The Guildhall, Bath BA1 5AW

| <b>Present:</b>  |  |
|--|--|
| Prof Steve West, University of the West of England (Chair) | Neil Douglas, Viper Innovations                      |
| Cllr Tim Warren, Bath & NE Somerset Council                | Ashley Ayre, Bath & NE Somerset Council              |
| Mayor Marvin Rees, Bristol City Council                    | Mike Jackson, Bristol City Council                   |
| Cllr Nigel Ashton, North Somerset Council                  | Jo Walker, North Somerset Council                    |
| Mayor Tim Bowles, West of England Combined Authority       | Amanda Deeks, South Gloucestershire Council          |
| Christopher Grier, Airbus                                  | Patricia Greer, West of England Combined Authority   |
| Andrew Hodgson, KPMG                                       | Martino Burgess, Gregg Latchams                      |
| Prof Hugh Brady, University of Bristol                     | Jon Reynolds, GDS Digital                            |
| Katharine Finn, PWC  |  |
| <b>In Attendance:</b>                                      |  |
| Helen Edelstyn, West of England Combined Authority         | George Margesson, West of England Combined Authority |
| Jessica Lee, West of England Combined Authority            | Menna Davies, West of England Combined Authority     |
| Stephen Bashford, West of England Combined Authority       | Chris Hackett, Bristol City Council                  |
| Melissa Houston, West of England Combined Authority        | Ben Mosley, Bristol City Council                     |
| Pete Davis, West of England Combined Authority             | Scott Bailey, PWC                                    |
| Shahzia Daya, West of England Combined Authority           | Jonathon Gillham, PWC                                |
| <b>Apologies:</b>  |  |
| James Durie, Business West                                 | Mohammed Saddiq, Wessex Water                        |
| David Brown, The Bristol Port Company                      | David Pester, TLT Solicitors                         |
| Dick Penny, Watershed                                      | Cllr Toby Savage, South Gloucestershire Council      |

### Draft Minutes

|           |  |  |
|-----------|--|--|
| <b>1.</b> | <b>Welcome and Apologies</b>   |  |
|           | Steve West welcomed attendees and apologies were noted.  |  |
| <b>2.</b> | <b>Minutes of the meeting of 16<sup>th</sup> November 2018</b>   |  |
|           | <p>Steve West went through the actions from November's meeting:</p> <p><b>Branding:</b> Patricia Greer provided a precis on ongoing LEP collaboration. This included a piece of work with LEPs along the M4 corridor to better understand the economic value of closer joint working.</p> <p><b>Talent Institutes and Review of LEP programme funding:</b> Covered as part of agenda items 5 and 8.</p> <p><b>LIS timeline:</b> This has been circulated to members.</p> <p><b>Feedback on Grand Challenge workshops:</b> Jessica Lee gave a quick update following the series of workshops held. These were well attended and well represented by a range of sectors.</p> |  |

|           |   |                                       |
|-----------|---|---------------------------------------|
|           | <p><b>Place and Wellbeing:</b> In progress - a follow-up meeting with Steve Nelson is being scheduled.</p> <p>The minutes were approved as a true record.</p>   |                                       |
| <b>3.</b> | <p><b>Declaration of Interest</b></p> <p>All Board members have a responsibility to treat all proposals/projects equally and impartially and must therefore declare whether they or their organisation has either a direct or indirect interest in any of the projects to be considered by the Board.</p> <p>Steve West, Christopher Grier and Hugh Brady declared an interest on agenda item 5; Talent Institutes. Due to the agenda item being an update and not seeking a decision, it was felt there was no need for these board members to formally withdraw from the conversation.</p> <p>In future board members are to consider if they have an interest and take appropriate action.</p>   |                                       |
| <b>4.</b> | <p><b>Regional connectivity and opportunities for collaboration</b></p> <p>Steve West introduced the item and welcomed Scott Bailey and Jonathon Gillham from PWC who gave a short presentation on regional connectivity.</p> <p>To investigate the regional connectivity of the West of England, PWC were commissioned to conduct research into a number of key topics covering supply chains, labour markets, transport, and research and development. In particular, the research covered:</p> <p><b>Business linkages:</b> key sectors and supply chain interactions, trade flows, and regional agglomeration patterns.</p> <p><b>Infrastructure connectivity:</b> with strong evidence underway for the Joint Local Transport Plan, the new research focused on a literature review of the impact of toll removal on the Severn Bridge.</p> <p><b>Flow of ideas:</b> relationships between West of England universities and counterparts elsewhere, and with business, levels of commercialisation, and assessment of wider research and development.</p> <p><b>Movement of people:</b> migration and demographic flows, and commuting patterns.</p> <p>A discussion developed around the outflow of migrants and whether this will affect a specific sector. Members also touched on the business linkages around cross sector activity and how we might brand this, strength of supply chain and how it would be useful to map our connections in relation to international trade and export links.</p> <p>Steve West asked that the slides are circulated.</p> <p><b>ACTION: PWC presentation to be circulated to LEP Board</b></p> <p><b>ACTION: Regional connectivity to be an agenda item at the March LEP Board</b></p> | <p>WECA Office</p> <p>WECA office</p> |
| <b>5.</b> | <p><b>Business and Skills update</b></p> <p>Steve West introduced the item and invited Stephen Bashford, Head of Business and Skills at WECA to update members on the key interventions currently being developed.</p> <p>Stephen started by providing background information, explaining that the WECA business and skills team were responsible for designing, developing and managing a wide-ranging portfolio of projects and programmes against WECA's Operating Framework and associated objectives.</p> <p>Within this are three key themes for delivery: High Value Business and Skills, High Growth Potential &amp; Progression and Inclusive Growth – Basic Skills &amp; Entrepreneurship. Current and emerging interventions to address these themes are:</p>  |                                       |

|    |   |                         |
|----|---|-------------------------|
|    | <p><b>Talent Institutes:</b><br/>The focus will be to bring business and education providers together, providing skills for residents together with research and innovation support for business (in particular SMEs) and at the same time making sure it aligns with the Local Industrial Strategy.</p> <p>WECA are currently seeking outline proposals for Talent Institutes and it is key that we do not duplicate what already existing - it is about finding the gaps and addressing market failure.</p> <p>Members discussed the challenges around how the institutes would measure success and within an already complicated landscape, how do we connect the things we're starting and thinking about with what already exists? There is also a need to really understand what we are trying to deliver.</p> <p>An open discussion also developed around resource and working together (UAs and universities) to ensure this ambitious proposal would be delivered. Members also spoke about the importance of inclusive growth and knowing where our investments flow are to help resolve this, as well as the potential opportunities with the Channel 4 creative hubs.</p> <p>Stephen is seeking three business representatives to assist WECA in prioritising the proposals received and would therefore welcome representation from the LEP Board.</p> <p><b>ACTION: Business members to email <a href="mailto:lepchair@westofengland-ca.gov.uk">lepchair@westofengland-ca.gov.uk</a> if interested in supporting the Talent Institutes proposal process</b></p> <p><b>Growth Hub:</b><br/>Stephen gave background details on what the Growth Hub is and explained that alongside Invest Bristol and Bath, the business support it provides will be organised under three tiers of account management:<br/><b>Universal support</b> – available to businesses of all sizes<br/><b>High growth</b> – specialist 121 for targeted high growth potential firms<br/><b>Strategic account management</b> – regular account management that will require ongoing dialogue to understand barriers to growth.</p> <p>The Growth Hub is now moving to a 'Medium Intensity' model, making it more accessible and not just a website which will hopefully enable us to understand its impact and value.</p> <p><b>Future Bright:</b><br/>A one pager was circulated to provide information on this is 18-month government funded programme, with a request to circulate through their wider networks.</p> | <b>Business members</b> |
| 6. | <b>Energy Strategy</b>  |                         |
|    | <p>Steve West introduced the item and invited Helen Edelstyn to update the board on the Energy Strategy so far.</p> <p>To give context, Helen began by explaining that in Spring/Summer 2017 all LEPs were awarded grant funding to develop energy strategies as part of governments commitment to a diverse, resilient, affordable and clean energy system that enables economic growth and reduces greenhouse emissions. Members were then taken through a presentation that sets out the evidence narrative and strategy recommendations.</p> <p>An open discussion developed around the local evidence and objectives including the importance of a diversified energy mix to a resilient energy supply that supports economic growth. Chris Grier confirmed that Airbus are actively investing in low carbon technologies and would be keen to work together.</p> <p>Alongside the Energy Strategy is the South West Energy Hub, for which WECA is the accountable body. This was set up to identify and coordinate local energy projects across</p>   |                         |

|           |   |                    |
|-----------|---|--------------------|
|           | <p>the south west of England and members expressed an interest in hearing what project ideas would come from this.</p> <p>Members agreed the West of England Energy Strategy as presented.</p>  |                    |
| <b>7.</b> | <b>LEP Governance</b>   |                    |
|           | <p>Steve West introduced the item and invited Shahzia Daya, Director of Legal and Democratic Services to discuss the role of the West of England LEP.</p> <p>Funding to the LGF (local growth fund), EDF (economic development fund) and the RIF (revolving infrastructure fund) is allocated by government to the LEP and WECA is the accountable body. The role of the LEP is to set the strategic context for funding made under each of these funding streams and then make recommendations through to the Joint Committee.</p> <p>The escalation process for monitoring schemes and project delivery is that projects go to the Investment Panel (made of the Chief Executives) who will advise the LEP Board, who then make recommendations to Joint Committee. The LEP has a responsibility to consider the recommendations of the Investment Panel but they must ensure that the right processes and controls are in place to provide them with that assurance as set out in the Assurance Framework they agreed last year.</p> <p>The agreed Assurance Framework:</p> <ul style="list-style-type: none"> <li>▪ sets out how the LEP will oversee the development of a pipeline of projects for that funding,</li> <li>▪ sets out how you will monitor delivery of projects to inform future prioritisation and</li> <li>▪ how you will work with the local authorities to ensure we have a transparent methodology to enable strategic decisions to be made for the region.</li> </ul> |                    |
| <b>8.</b> | <b>LGF Monitoring</b>   |                    |
|           | <p>Steve West introduced the item and invited Pete Davis to take members through the 'Growth Deal Dashboard'.</p> <p>Pete explained that a progress report on the delivery of the LGF programme is provided quarterly to the Cities and Local Growth Unit (CLOG). This report includes a dashboard which summaries progress with each project and the LGF programme overall.</p> <p>Recent guidelines require "before submitting to CLOG, you must have appropriate sign off (of the dashboard) by the LEP Board".</p> <p>Members agreed that progress reports should be signed off by LEP Board prior to submission to CLOG. However, exceptionally where this was not possible owing to reporting cycles, sign off could be via the LEP Chair and Chief Executive.</p>  |                    |
| <b>9.</b> | <b>AOB</b>  |                    |
|           | <p>Steve West informed members that a LEP Annual Performance Review with CLOG was scheduled for Monday 21 January to discuss our performance, governance, delivery and strategy and prior to the meeting a self-assessment form was submitted.</p> <p><b>ACTION: Self-assessment form and feedback from the Annual Performance Review meeting to be shared with board members.</b></p>  | <b>WECA office</b> |
|           | <b>Next meeting: Thursday 21 March 2019, 9:30-11:30am</b>   |                    |



# Employment & Skills Plan Update

2 April 2019

# West of England Business & Skills priorities

There is clear alignment between priorities identified for our business and skills work and conclusions of the LIS evidence base. The development of a **regional Employment & Skills Plan** will be a key component of our work

## LIS PRIORITIES

## EMPLOYMENT AND SKILLS FOCUS

**1** Ensuring that growth is inclusive

**Inclusive Growth:** Ensuring opportunities for employment and progression are available for all. Addressing gaps in educational and training provision compared with future business needs, ensuring the jobs market works well for residents

**2** Giving all businesses the conditions for growth

**High growth potential and progression:** Targeting high growth potential businesses, addressing the 'long tail' and creating progression opportunities for people in work. Ensuring skills provision reflects current and future business requirements

**3** Fostering **innovation**

**High value businesses and skills:** Fostering innovation from research through to commercialisation. Supporting high value business, ensuring they have access to the skills they need to grow, encouraging diffusion of innovation across sectors

**4** Investing in the right **infrastructure and housing** for future growth

**Investing in infrastructure:** Ensuring people across the region are able to physically access employment and skills opportunities. Ensuring we are developing the skills we need to deliver our infrastructure plans.

# Conclusions from the LIS evidence base highlight regional strengths. It also sets out challenges to address if we are to improve outcomes for residents, employers and our regional economy

## Supply of skills and labour

- Population is expected to continue growing, but **international migration may be slowing down**.
- Despite a lower than average unemployment rate, **there are approx. 50,000 people not currently in work, who want to be**. Key areas of focus: Young people, young men and BME groups and health (barriers to employment include health issues, skills, caring responsibilities, etc)
- Wages in the West of England are better than average, but there is scope to address inequality and geographical differences. **Low pay** is a particular issue for approx. 15% of the workforce. Key groups include those **working part time and those without Level 2** qualifications.
- Overall the workforce is well qualified. However, **128,500 people do not have level 2 qualifications**. Area of focus: older people
- **Educational attainment in schools** is below average, particularly for disadvantaged children
- **NEET levels** are particularly high in Bristol and North Somerset. With the exception of S.Glos, they are higher for those with **SEND**
- **Employers are more likely to train** than average in WoE

## Demand for skills and labour

- Employers are more likely to report **vacancies and hard to fill vacancies** in the WoE, particularly in high skilled occupations
- There are also **skills gaps in the workforce**, which have implications for business growth
- Although businesses were **more likely to train**, the biggest barriers to training were releasing staff for training and cost of training
- A higher proportion than average are **under-utilising staff**, suggesting an opportunity for creating progression opportunities
- In the future, the labour market is expected to hollow-out, with reduced demand for middle ranking occupations
- Addressing the **shortage in technical skills** may provide opportunities to lift individuals from poverty, whilst addressing a skills shortage area




# Our regional Employment & Skills Plan

## Our draft ambition and objectives

*“By 2035, the West of England will be internationally recognised for its sustainable, inclusive and creative economy, providing a high quality of life, prosperity and opportunities for all its residents. Our people will be skilled, healthy and able to access a ‘ladder of opportunity’ to achieve their potential and our businesses will be able to find the skills and talent they need to thrive”*

Page 12

**DRAFT**

-  SO1: Ensuring our young people achieve their potential through improving educational attainment, careers advice and reducing NEETs
-  SO2: Ensuring everyone is able to work, has the support to do so, through tackling health, education and other barriers to work
-  SO3: Ensuring people can progress within employment to better, higher paid opportunities if they wish to do so
-  SO4: Ensuring employers are able to recruit and retain the skills and talent they need to thrive from within the region
-  SO5: Ensuring our employment, skills and education system is integrated and aligned with employer demand and responsive to changing patterns of employment

# Our regional Employment & Skills Plan: Building on firm foundations & exploring opportunities

1

## Locally led activity

- **Mapping of locally led activity** (i.e. Bristol Works). This will cover: LA led activity, post 16 providers (including colleges, VCSE and broader provider landscape)
- Exploring **opportunities to broaden geographic** reach of activity delivering positive results
- **Alignment between activity in this plan and broader neighbourhood offers**, ensuring residents have access to integrated support

2

## Devolution

- Impact of **existing devolution**
- Areas of **devolution agreed elsewhere**
- Are there **specific cohorts** we want to focus on (long-term out of work, 50+ workers, those returning to work, reskilling)
- Understanding **drivers of school outcomes**
- Exploring **transition points**

3

## Broader regional activity

**Focus and monitoring of regional developments** such as:

- Skills Innovation Fund
- WECA Investment Fund
- Talent Institutes
- Growth Hub
- Careers Hub & Enterprise Advisor Network
- Skills Capital

4

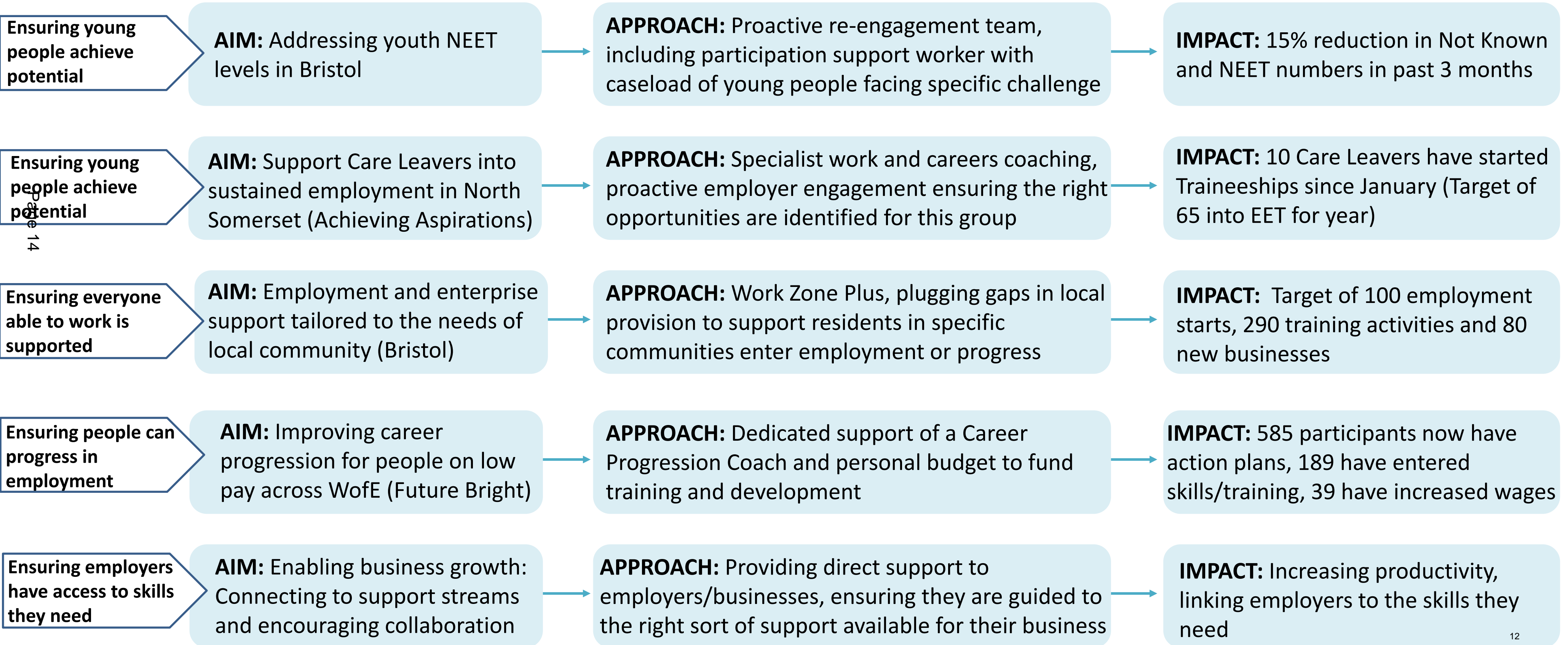
## Nationally led activity

Understanding **outcomes achieved through national provision** led by DWP and JCP (and ESF funded provision)

Exploring opportunities to better align DWP and JCP activity with local priorities

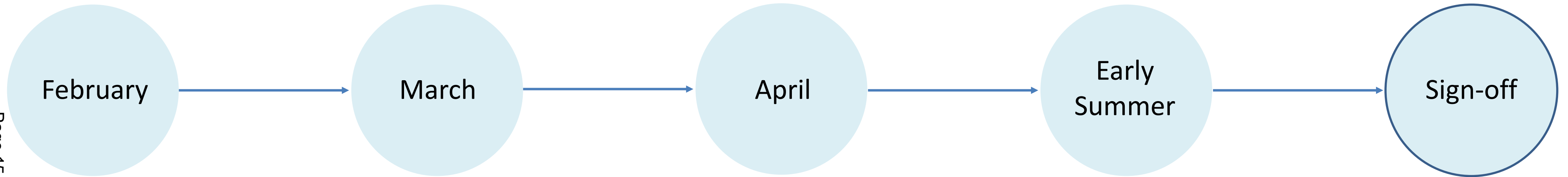
# Initial mapping has highlighted activity achieving positive impact

**To inform the development of the Employment and Skills Plan we will aim to identify key characteristics of successful interventions**  
(i.e. do place-based interventions have better results, are integrated programmes having greater impact, do different payment models have a bearing on results, does the timescale for an intervention have an impact on outcomes)



# The plan will be developed over the coming months, drawing on broad engagement with regional partners

Page 15



**Skills Officers Group**  
(acting as a Steering Group for this work)

**FE Principals**

**Skills Advisory Board**

**VCSE representatives**

**Skills Expert Group**

(including reps from HE, FE, training providers, employers (including LEP Board representatives), business networks, UAs, and the voluntary and community sector)

**Regional Chief Executives**

Further engagement on emerging strategic narrative with:

- Skills Advisory Board
- Skills Officers
- FE Principals
- LEP

**Public Engagement**

Key groups will be engaged in drafting, including a final meeting of the Skills Expert Group

**Joint Committee Sign-off**

**West of England Local Enterprise Partnership  
Board meeting – 02/04/2019**

**Collaboration**

**Purpose of the report**

The purpose of this document is to begin to present the case for greater LEP collaboration along the M4 corridor; it is work in progress and presents a summary of existing economic analysis and potential areas for greater LEP collaboration.

For the purposes of this report the M4 corridor includes the areas of: West of England, Newport, Gloucestershire, Swindon and Wiltshire and Dorset. Collaboration refers to the process of working together, and not to changing governance structures or geographies.

**Recommendation**

To consider the report and provide a steer on next steps, as set out below:

In collaboration with the M4 corridor region the following next steps are recommended:

- Better attract government funding or private finance through the development of a common brand or market strategy that highlights a greater economic scale [*this would be developed on a partnership basis and would not involve any new governance or organisational structures – like the ‘Northern Powerhouse’ model*].
- Develop joint pitches for improved medium-distance infrastructure that reduce congestion and improve journey times [road and rail]
- Consider the advantages of joint service provision or activity e.g. a joint internationalisation strategy that promotes Foreign Direct Investment, trade and capital investment
- Consider the advantages of workforce development through increased skills planning across a wider area [*linked to sectors of interest e.g. engineering and digital*]

**Background**

This paper is based on the idea that there are three reasons for cooperation along the M4 corridor:

1. Being near to each other (geographic proximity) – being close can help facilitate a wide range of economic benefits
2. Having a similar profile – where similar specialisations and expertise can build on each other
3. Having a dissimilar profile – where there are different specialisations and expertise that complement each other



In this context, the benefits of building collaboration between LEPs within a wider region might fall into four categories:

- Better attracting government funding or private finance through common branding or marketing that highlights a greater economic scale
- Improved pitch for improved medium-distance infrastructure through co-ordination of activity
- Higher quality of service through simplification of offerings (reducing numbers of similar schemes, and removing sharp borders in provision) e.g. a joint strategy internationalisation
- Workforce development through increased skills planning across a wider area

## **The data**

### **Economic potential**

The economies along the M4 corridor are home to a diverse range of innovative and high-value businesses, from engineering and advanced manufacturing to banking and professional services. Our economies have continued to grow and make an above-average contribution to tax revenues.

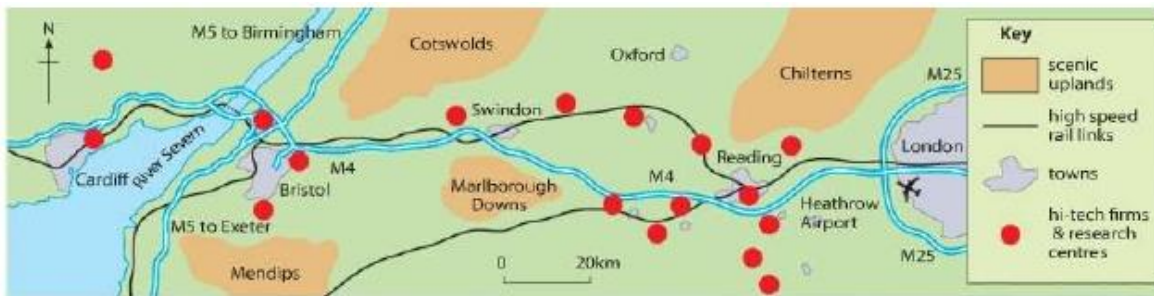
However, our rate of growth could be much higher still. Unlocking additional value both for the wider region and the UK economy, is an important priority for us all. Evidence shows that greater collaboration and connectivity between regions, effectively brings firms closer together, which could give rise to several productivity benefits [PWC 2018], including improving knowledge flows and innovation, and enabling more effective matching of supply and demand.

### **Infrastructure**

This section provides a high-level overview of how well the region is connected. *[further work will be required including the ports and airports]*

We know that connectivity is crucial to the success of our economies. It is associated with agglomeration and facilitates a wide-range of economic benefits these include: • labour market supply and better labour market matching; • labour productivity; • knowledge spill-overs; • business efficiency, such as through reliability savings; and • competition, by access to suppliers and markets. In addition, economic modelling undertaken by Peter Brett Associates has shown that a 20-minute reduction in journey times would result in a 60-year present value figure of welfare benefits of £1.38 billion.

The below image provides a visual representation of the connectivity of the major transport hubs / cities and towns along the M4 corridor including both road and rail.



*[Note this is an old map from the TechNation report and will need to be updated to reflect the purposes of this report]*

The M4 Corridor is well connected by both road and rail, but there is room for improvement [especially when compared with the rest of the UK ‘PWC 2018’]. This improvement might include measures to decrease journey times, particularly by rail, and to connect less well-connected areas of the M4 corridor region such as Bath and Gloucestershire.

Research undertaken for Great Western Cities shows that more people commute between the Cardiff and Bristol metro areas (2,466), than some of the Northern cities. Removal of tolls on the M4 Severn River Crossing has been welcomed by the region as it will increase road connectivity and better enable the movement of employees, freight and goods, as well as remove barriers to markets.

Delivering high speed digital infrastructure across the wider region will be critical to growth.

### **Ideas**

Analysis shows that M4 universities work well with each other but also with other national institutions. There are strong links with Higher Education providers across the country: the top six collaborating institutions are Oxford, Cambridge, Birmingham, Edinburgh, Glasgow and Cardiff.

There are also several innovation assets across the M4 corridor region including National Composite Centre, Bristol Robotics Lab, GCHQ, Aerospace R&D.

### **Business environment**

Through looking at growth sectors it is possible to identify where there is the opportunity to further develop collaboration. This section draws on data to identify sectors that are relatively more concentrated, in terms of employment, have strengths [in terms of assets and innovation] along the M4 corridor. It also draws on analysis previously undertaken by the South West LEPS on existing sector strengths and collaboration. *[nb. there are limitations to the data used in terms of currency and detail. Further granular analysis will be required to fully understand the scale, reach and potential of each sector].*

Based the analysis there are at least six potential sectors of interest:

- Financial services [West of England, Dorset and Swindon have high employment in this sector]
- Aerospace [Dorset and West of England have an interest and global assets [WoE Airbus and Rolls Royce]]
- Nuclear [Dorset, GFirst, West of England have an interest and assets in this sector]
- Health and Life Science [Dorset, GFirst, Newport and West of England have an interest in this sector]
- Manufacture of transport equipment [West of England and Swindon have an interest and assets in this sector [WoE National Composite Centre]]

- Cyber-security (defence?) [West of England, GFirst, Dorset have global assets [GFirst GCHQ]
- Digital tech [*'productivity power path' from London to the mouth of the River Severn, travelling along the M4 corridor and spreading to Southampton and Portsmouth. Turnover by employee ranges from £27,650 in Campbelltown to £320,000 in Bristol'. <https://technation.io/wp-content/uploads/2018/05/Tech-Nation-Report-2018-WEB-180514.pdf>]*]

Providing business support across a wider region might offer service improvements through simplification, and events that facilitate networking across a wider region.

### **People**

Through looking at growth sectors it is possible to identify where there is the opportunity to further develop skills and workforce planning across a larger geographical area. [further analysis to be carried out by M4 corridor partners]

### **Next steps:**

In collaboration with the M4 corridor region the following next steps are recommended:

- Better attract government funding or private finance through the development of a common brand or market strategy that highlights a greater economic *scale [this would be developed on a partnership basis and would not involve any new governance or organisational structures – like the 'Northern Powerhouse' model]*.
- Develop joint pitches for improved medium-distance infrastructure that reduce congestion and improve journey times [road and rail]
- Consider the advantages of joint service provision or activity e.g. a joint internationalisation strategy that promotes Foreign Direct Investment, trade and capital investment
- Workforce development through increased skills planning across a wider area [*linked to sectors of interest e.g. engineering and digital*]

**Author:** Helen Edelstyn

**West of England Local Enterprise Partnership  
Board meeting – 02/04/2019**

**Local Growth Assurance Framework**

**Purpose of the report**

1. To update on the progress with the preparation of the new Local Growth Assurance Framework and seek views.

**Recommendation**

To approve the assurance framework, with any further changes required through the Government approval process to be agreed by the LEP Chair and CEO.

**Background**

2. Government have set out in guidance their requirements for the way that LEPs operate to ensure due accountability, transparency and value for money, in particular for funding streams overseen by the LEP. The way that these requirements are met are set out in the West of England LEP Assurance Framework which is published on the LEP website. This was last approved by LEP Board in July 2018.
3. Following Government's review of current guidance and practice, including the *Non-Executive Director Review into Local Enterprise Partnership Governance and Transparency* (2017) and *Strengthened Local Enterprise Partnerships* (2018), revised assurance framework [guidance](#) was published in January 2019.
4. The key changes in the new guidance which need to be addressed in our assurance framework are:
  - Bringing together the previously separate LEP and Single Pot (including the Investment Fund, Transforming Cities Fund and the Adult Education Budget) Assurance Frameworks under a new Local Growth Assurance Framework. This is welcome and reflects our current approach to use consistent processes where practical.
  - Providing further detail, or being more explicit, around aspects of LEP operation and transparency eg inclusion of reference to LEP hospitality and expenses register, LEP Board induction and succession process, publication of diversity statement, extension of publication of register of interest to CEO.
5. Given that it includes the Single Pot, the new assurance framework has to be signed off as compliant by MHCLG. With the agreement that this process could be completed in 3 weeks, a draft of the revised framework (see Appendix 1) was supplied to the Cities and Local Growth Unit on 15 February. Comments are now expected on 25 March, but from feedback received to date these as expected to be of a minor nature aside from those from DfT related to scheme appraisal and value for money.

6. Guidance requires the new assurance framework to be in operation by the end of March. Given delays in receipt of the comments from Government it has been agreed that this deadline can be extended into April.

Appendix 1: Draft Local Growth Assurance Framework

**Author:** Pete Davis

This page is intentionally left blank



# West of England Local Growth Assurance Framework

**DRAFT February 2019**

# Table of Contents

|          |   |           |
|----------|---|-----------|
| <b>1</b> | <b>Purpose of the document .....</b>  | <b>4</b>  |
| 1.1      | Context.....  | 4         |
| 1.2      | Scope of the Assurance Framework .....  | 5         |
| 1.3      | What is an Assurance Framework and who it is for?.....                                | 6         |
| 1.4      | Status and structure of the framework .....   | 8         |
| <b>2</b> | <b>Governance and Decision-Making Structure.....</b>                                  | <b>9</b>  |
| 2.1      | West of England Governance.....   | 9         |
| 2.2      | Transparency.....   | 13        |
| 2.2.1    | The LEP Board .....   | 13        |
| 2.2.2    | Complaints, Whistleblowing, Freedom of Information Requests and Data Protection ..... | 15        |
| 2.2.3    | Communications and Local Engagement.....  | 15        |
| 2.3      | Accountable body role and financial management .....                                  | 16        |
| 2.3.1    | Investment Decisions.....   | 16        |
| 2.3.2    | The Role of the Accountable Body.....   | 16        |
| 2.3.3    | Accounts and Financial Information .....  | 17        |
| 2.3.4    | Managing Contracts.....   | 17        |
| 2.3.5    | Risk Management .....   | 17        |
| 2.3.6    | Internal and External Audit.....  | 18        |
| <b>3</b> | <b>Investment Programme - Project Lifecycle .....</b>                                 | <b>19</b> |
| 3.1      | Scheme Identification and Prioritisation .....  | 19        |
| 3.1.1    | Prioritisation Process - LEP Investment Programme .....                               | 19        |
| 3.1.2    | Prioritisation Process - WECA Investment Programme .....                              | 19        |
| 3.2      | Business Case Development .....   | 20        |
| 3.2.1    | Business Case Stages and Proportionality .....  | 20        |
| 3.2.2    | Scheme Development Funding.....   | 21        |
| 3.2.3    | Due Diligence .....   | 21        |
| 3.3      | Appraisal .....   | 21        |
| 3.3.1    | Appraisal Criteria.....   | 21        |
| 3.3.2    | Assessing Value for Money .....   | 22        |
| 3.3.3    | Transport Projects.....   | 23        |
| 3.4      | Approval process.....   | 24        |

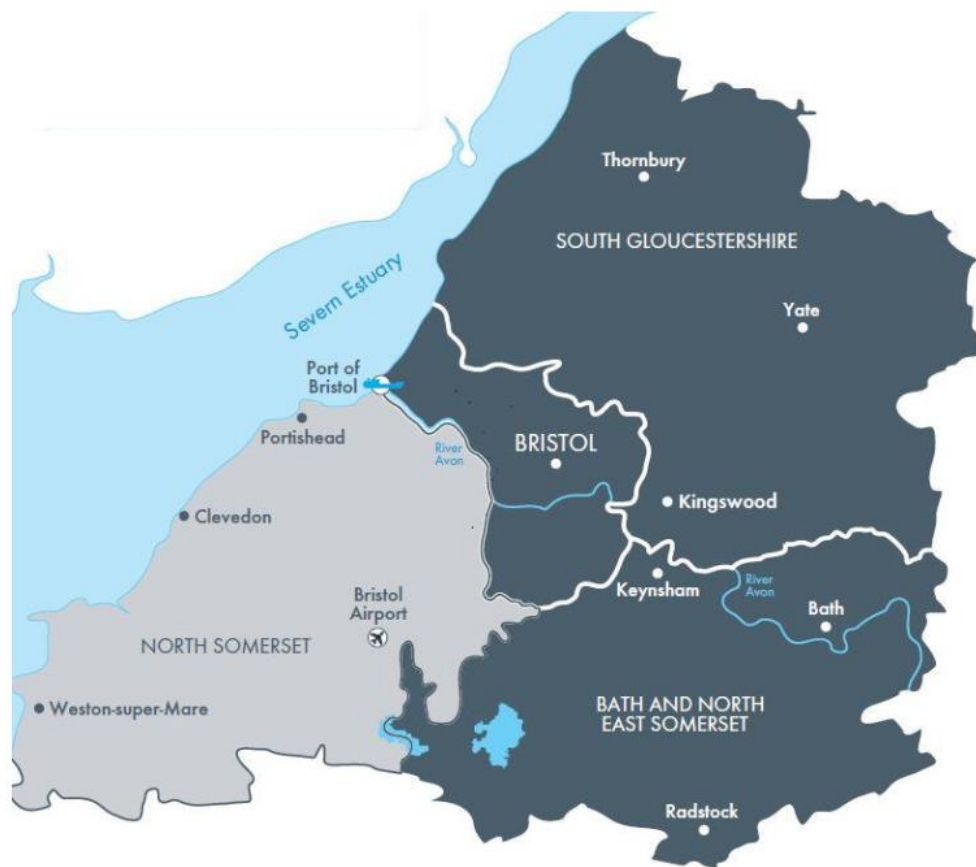


|           |  |           |
|-----------|--|-----------|
| 3.4.1     | Approval process and timeline .....                                  | 24        |
| 3.5       | West of England Investment Programme Management .....                | 26        |
| 3.5.1     | Risk Management .....  | 26        |
| 3.5.2     | Project Closure .....  | 27        |
| <b>4</b>  | <b>Monitoring and Evaluation .....</b>                               | <b>28</b> |
| 4.1       | Overview .....   | 28        |
| 4.2       | Performance Monitoring .....   | 28        |
| 4.3       | Evaluation and Benefits Realisation.....                             | 29        |
| <b>5</b>  | <b>Appendix 1.....</b>   | <b>30</b> |
|           | Adult Education Budget .....   | 30        |
| <b>6</b>  | <b>Appendix 2.....</b>   | <b>31</b> |
|           | Change Management Delegations for the Investment Programme .....     | 31        |
| <b>7</b>  | <b>Appendix 3 .....</b>  | <b>32</b> |
|           | LEP Publication Checklist .....                                      | 32        |
| <b>8</b>  | <b>Appendix 3 .....</b>  | <b>33</b> |
| 8.1       | Methodology to Assess Value for Money for Various Scheme Types ..... | 33        |
| 8.1.1     | Transport.....   | 33        |
| 8.1.2     | Housing and Commercial Interventions .....                           | 33        |
| 8.1.3     | Skills Capital .....   | 34        |
| 8.1.4     | Growth Hubs .....  | 34        |
| <b>9</b>  | <b>Appendix 4.....</b>   | <b>35</b> |
| 9.1       | Outline Business Case Template .....                                 | 35        |
| <b>10</b> | <b>Appendix 5 .....</b>  | <b>35</b> |
| 10.1      | Full Business Case Template .....                                    | 35        |
| <b>11</b> | <b>Appendix 6 .....</b>  | <b>35</b> |
| 11.1      | Feasibility and Development Funding Application Form Template.....   | 35        |
| <b>12</b> | <b>Appendix 7 .....</b>  | <b>35</b> |
| 12.1      | Scheme Highlight Report Template .....                               | 35        |
| <b>13</b> | <b>Appendix 8 .....</b>  | <b>35</b> |
| 13.1      | Feasibility and Development Scheme Highlight Report Template .....   | 35        |

# 1 Purpose of the document

## 1.1 Context

1. The West of England is one of the UK's most prosperous regions with an economy worth over £33.2 billion a year. A net contributor to the national purse, with a population of over 1 million and over 43,000 businesses, the West of England competes on a global scale.
2. In 2016, three councils in the West of England – Bath and North East Somerset, Bristol and South Gloucestershire – signed a devolution deal. As a result, significant powers and funding have been transferred to the region through the new West of England Combined Authority (WECA) and West of England Mayor.
3. The West of England Local Enterprise Partnership (LEP) is a business led public-private partnership which develops and drives policy and strategy for economic growth and job creation in the area. The LEP spans the geography of Bath and North East Somerset, Bristol, North Somerset and South Gloucestershire. WECA provides support for the activities of West of England LEP including undertaking the role of accountable body for LEP funding.



## 1.2 Scope of the Assurance Framework

4. Government have set out in [The National Local Growth Assurance Framework](#) guidance the requirement for LEPs and Mayoral Combined Authorities in receipt of a Single Pot to produce their own local assurance framework. This document sets out the West of England's governance arrangements for these funds, how due transparency and accountability are ensured and the way that schemes are appraised, monitored and evaluated to achieve value for money.
5. The 'Single Pot' approach to funding is a significant fiscal agreement in devolution deals which seeks to reduce ring fences and consolidate funding lines for which WECA is the accountable body. The West of England Operating Framework and Business Plan provide the basis for investment decisions alongside the delivery of statutory requirements, conditions of funding and other local transport objectives.
6. The funds in the scope of this assurance framework (hereafter referred to as the 'investment programme') are as follows:
  - **West of England Investment Fund (WoEIF)** – WECA has established the WoEIF through which it will administer the additional £30m per annum allocation to WECA of grant-based investment funds (sometimes called 'Gain Share'). These funds span a 30 year period but are subject to a five-yearly Gateway Review by Government. In line with the Devolution Deal this is in the control of WECA, working with the West of England Mayor. Aside from schemes in the scope of this framework, other exceptional costs are funded via the WoEIF related to the establishment of WECA and arising from its statutory duties, together with election costs for the Mayor as agreed by the WECA Committee.
  - **Transforming Cities Fund (TCF)** – the £103m of funding awarded to WECA to deliver transport improvements aimed at transforming connectivity through improved public transport and active travel infrastructure, reducing congestion and enhancing air quality.

*For ease of language, in the scope of this framework the WoEIF and TCF are hereafter referred to as 'the WECA funding streams'.*

- **Adult Education Budget (AEB)** – from 2019/20 WECA became responsible for administering AEB within its area. Investment decisions for AEB will be made with full consideration to the statutory entitlements which are detailed in the orders laid down to devolve the functions for administering AEB to WECA.

It should be noted that owing to the nature of AEB, whilst it falls within the general principles of this framework, including transparency, accountability and formal decision making by the WECA Committee, general references to project identification, appraisal, monitoring and value for money will be subject to different arrangements. Further detail on the specific arrangements for AEB are provided in Appendix 1.

- **Local Growth Fund (LGF)** – the £202m of funding covering the period 2015/16-20/21 awarded to the LEP through Growth Deals with Government.

- **Economic Development Fund (EDF)** – the City Deal signed in 2012 by the West of England Councils, the LEP and Government included a range of measures aimed at driving economic growth. Several of the Deal elements have been adopted in ongoing programmes (such as developing an integrated inward investment service) or have been completed. One ongoing element is the Growth Incentive whereby the local authorities retain 100% of business rates growth in five West of England Enterprise Areas.

£500m of the growth in these Enterprise Areas, together with the Bristol Temple Quarter Enterprise Zone, over a 25 year period is being used to create the LEP’s Economic Development Fund to deliver infrastructure to help unlock these locations.

Whilst the operation and monitoring of the Enterprise Zone and Areas is undertaken by the relevant Council, the overall growth performance is overseen by the Business Rates Pooling Board which comprises the four Council s151 Officers and the LEP. Periodic reports are presented to the LEP Board and the West of England Joint Committee, and an annual performance report is provided to the WECA Overview and Scrutiny Committee.

- **Revolving infrastructure Fund (RIF)** – this fund was formed from awards by Government through the Regional Growth Fund and Growing Places. This is a revolving fund aimed at advancing the infrastructure which enables development.

*For ease of language, in the scope of this framework the LGF, EDF and RIF are hereafter referred to as ‘the LEP funding streams’.*

### 1.3 What is an Assurance Framework and who it is for?

7. This assurance framework is underpinned by the Seven Principles of Public Life (the Nolan Principles), namely:
  - **Selflessness:** Holders of public office should act solely in terms of the public interest.
  - **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
  - **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
  - **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
  - **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

- **Honesty:** Holders of public office should be truthful.
  - **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.
8. The framework is required to show that suitable arrangements are in place to effectively manage the investment programme and that robust systems are in place to ensure resources are spent with regularity, propriety, and value for money, whilst at the same time achieving projected outcomes.
  9. The assurance framework also outlines clear and transparent procedures for all stakeholders in the West of England area (including the constituent Local Authorities, the West of England LEP, other key partner agencies, businesses and residents) regarding the delivery and spending associated with the investment programme. The assurance framework and the investment programme will be managed in accordance with the usual local authority checks and balances, including the financial duties and rules which require local authorities to act prudently in spending.
  10. The joint and consistent approach will also provide the opportunity to combine funding to maximise economic impacts. All projects funded through the investment programme will be subject to the agreed prioritisation, appraisal, and monitoring and evaluation framework, including value for money assessments tailored to the nature and scale of the proposed investment.
  11. This assurance framework will be updated regularly and reviewed annually to ensure that it remains fit for purpose. Furthermore, other funding sources may subsequently be aligned with the investment programme, such as any funds awarded through the Housing Infrastructure Fund or UK Shared Prosperity Fund, to ensure that an integrated, comprehensive and strategic approach to promoting growth within the West of England is adopted. Where these fall within the scope of this framework it will be updated accordingly. Where there are significant changes to the operation of the framework the Cities and Local Growth Unit will be informed, and any necessary action undertaken.
  12. In performing its role, the WECA will ensure that it acts in a manner that is lawful, transparent, evidence-based, consistent and proportionate. The WECA s151 Officer will confirm that the financial affairs of the LEP are being properly administered and are compliant with the National Assurance Framework by the end of February each year.
  13. The assurance framework sits alongside WECA's Monitoring and Evaluation Framework which sets out WECA's approach to Monitoring & Evaluation.

## 1.4 Status and structure of the framework

The remainder of this document is set out in the following sections:

- Section 2: Describes the governance and decision-making structures and outlines the transparency that will apply to all decision making.
- Section 3: Sets out the procedures for prioritising projects, appraising projects and developing appropriate business case documentation to satisfy the value for money assessment.
- Section 4: Outlines the procedures required for monitoring and evaluating projects and the overall investment programme.

## 2 Governance and Decision-Making Structure

### 2.1 West of England Governance

14. The governance structure for WECA and the LEP is shown in Figure 2.2. The specific roles in this governance process are set out below.
15. The governance arrangements for the investment programme provide timely and binding decisions, with due clarity, transparency and accountability. These are underpinned by a consistent approach which seeks to harmonise governance processes (noting that different funds may have different ultimate decision makers), assurance and reporting arrangements. This provides the flexibility to match the most suitable funding stream to a particular scheme, and also allow overview, efficiency and rigour. The governance process is shown diagrammatically in Figure 2.1.

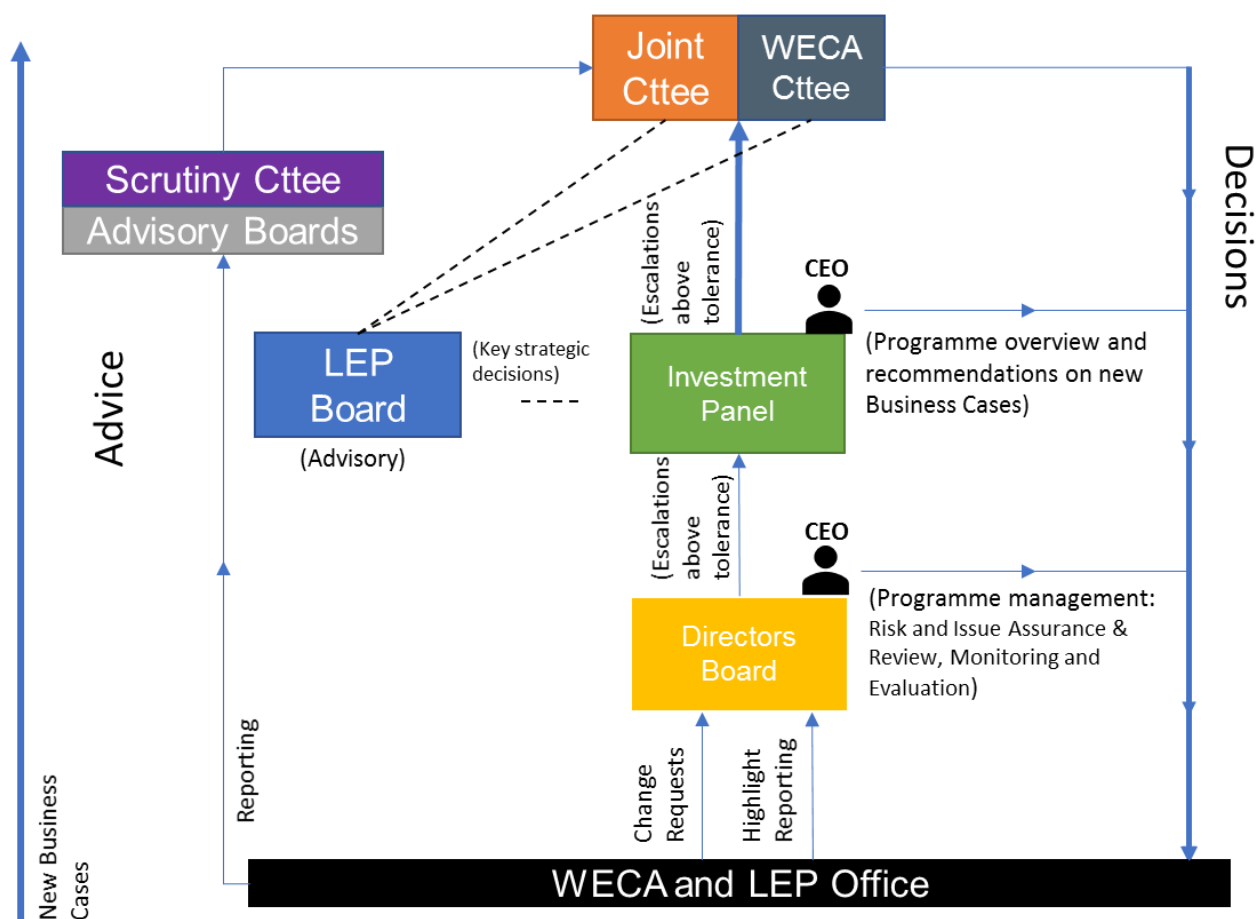


Figure 2.1 – Investment Programme Governance Process

Key:  
Advisory - - - - -

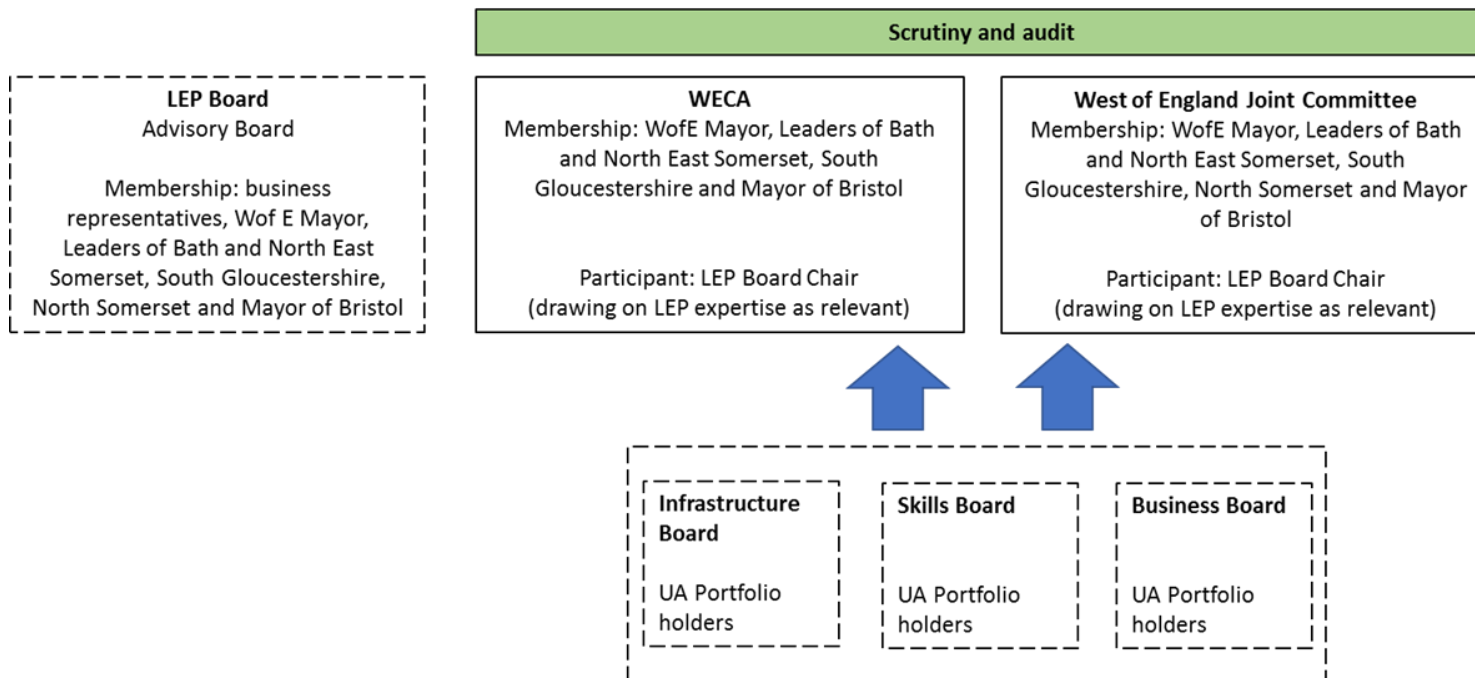


Figure 2.2 – WECA Governance



## WECA Committee

16. The WECA Committee is chaired by the West of England Mayor, and is made up of the council Leaders of Bath and North East Somerset and South Gloucestershire and the Bristol Mayor. The WECA Committee meets regularly and in public and the papers for these meetings are published on the [WECA website](#). The constitution of WECA is also [published](#) which includes the code of conduct. This Committee provides the formal and accountable decision making process related to WECA funding streams. The delegations granted by the WECA Committee related to scheme changes are set out in paragraph 27 and Appendix 2.

## West of England Joint Committee

17. The West of England Joint Committee involving the West of England Combined Authority Mayor, the Council Leaders of Bath and North East Somerset, North Somerset and South Gloucestershire and the Bristol Mayor meets formally and in public, and papers for these meetings are published on the [WECA website](#). The Terms of Reference of the West of England Joint Committee can be viewed on the [WECA website](#) (page 24 of the linked report). This Committee makes all decisions related to LEP funding streams (again aside from the delegations set out in paragraph 27).
18. It is the role of these Committees to approve and periodically review a programme of schemes through the submission of Strategic Outline or Outline Business Cases (see Appendix 4). These schemes will be awarded 'Programme Entry'. Schemes with Programme Entry will then produce Full Business Cases or Final Approval Business Cases (see section 3.2) for approval to secure funding confirmation.

## LEP Board

19. The purpose of the West of England LEP Board is to secure the region's continuing and ambitious economic success and attractiveness as a place for its residents to live and thrive and for businesses and communities to grow in a sustainable way.
20. The LEP Board is a business led partnership between business/universities and the region's unitary and combined authorities. The LEP Board works in a collaborative and catalytic way seeking to share and test ideas informed by best practice from across the globe to ensure that actions are evidence based and draw upon the best in the world.
21. In terms of the LEP funding streams, the role of the LEP Board is to bring a business perspective and make recommendations to the West of England Joint Committee based upon advice from the Investment Panel (see paragraph 26). A programme of sequential meetings of the Investment Panel, LEP Board and West of England Joint Committee supports this process and timely decision making. The Chair of the LEP Board participates in the meetings of the WECA and Joint Committees.
22. The Board receives regular updates on all LEP funded projects, so they are sighted on their performance, issues, risks and relevant mitigations in place.

## Advisory Boards

23. The following Advisory Boards meet up to 6 times a year and involve the relevant Cabinet lead Member for the constituent Councils. These Boards are chaired by the WECA Mayor and two LEP Board business members also represents the LEP at these meetings.

- West of England Skills Advisory Board
- West of England Business Advisory Board
- West of England Infrastructure Advisory Board

## WECA Overview and Scrutiny Committee

24. The functions of the Overview and Scrutiny Committee are primarily to scrutinise the work and decisions made by the WECA or Joint Committee including the prioritisation and approval of schemes, and progress with the delivery of the investment programme. WECA Overview and Scrutiny Committee has the power to:-

- i. Review or scrutinise decisions made, or other actions taken, in connection with the discharge of any functions which are the responsibility of the WECA or Joint Committee.
- ii. Make reports or recommendations to the WECA or Joint Committee on matters that affect the WECA area or the inhabitants of the area.
- iii. Make reports or recommendations to the WECA or Joint Committee with respect to the discharge of any functions which are the responsibility of these Committees.
- iv. In so far as the business of the LEP relates to the discharge of functions of WECA, the WECA Overview and Scrutiny Committee shall have the power to scrutinise the LEP as set out in (i) to (iii) above.

## Audit Committee

25. The functions of the Audit Committee include reviewing and scrutinising WECA's financial affairs. The Audit Committee has an overall remit to:

- Review and scrutinise the authority's financial management – including all funding awarded;
- Review and assess the authority's risk management, internal control and corporate governance arrangements; and
- Report and make recommendations to the WECA or Joint Committee in relation to these issues.

## West of England Investment Panel

26. The governance process is underpinned by the West of England Investment Panel which comprises the Chief Executive of WECA and the LEP (hereafter referred to as the WECA Chief Executive) and the relevant constituent local authorities. The Panel meets at least quarterly aligned to meetings of the WECA and Joint Committees and its role in the context of the investment programme is to:

- Act on information provided by scheme promoters and technical advice and recommend a programme (the 'Programme Entry' schemes) for:
  - WECA funding streams – approval by the WECA Committee.
  - LEP funding streams - consideration by the LEP Board and approval by the West of England Joint Committee.
- Make recommendations on individual investment decisions for schemes with 'Programme Entry' awarded by the WECA or West of England Joint Committee based upon business cases and technical advice.
- Provide overview of the investment programme.
- Managing programme level risks.

### Directors Board

27. The Directors Board comprises the Directors of Development of WECA and the relevant constituent local authorities. The Board considers programme performance, risks and issues and:
- Monitors the progress of individual schemes managed by individual Project and Programme Boards.
  - Considers change requests for approval within the agreed tolerances for the Board. The decision on such change requests is formally made by the WECA Chief Executive in consultation with the Directors Board. The tolerances are shown in Appendix 2.
  - Seeks necessary approval from the WECA or Joint Committee for those changes outside of these tolerances.

## 2.2 Transparency

28. WECA and the LEP are committed to being open, transparent and accountable.

### 2.2.1 The LEP Board

#### Appointment of LEP Board Members

29. Opportunities for membership of the LEP Board are openly advertised and widely promoted. The LEP Chair in consultation with the Business Nominations Committee is responsible for nominating business members including the vice chair, and the Higher Education representative, for approval by the LEP Board. The Vice Chair in consultation with the BNC is responsible for the nomination of the Chair, for approval by the LEP Board.
30. Selection criteria and procedures ensure that individuals are selected on the basis of their relevant merits and abilities, and that this promote diverse representation reflective of the local business community. The LEP's diversity statement is published on the LEP website.

31. The term of the Chair and Vice Chair is three years from date of appointment. The term of business members and university member is up to three years. Terms are staggered to ensure continuity amongst the membership and support succession planning. Members can serve a maximum of two terms but renewal of term is not automatic.
32. The membership of the LEP Board and the terms of reference can be viewed on the [LEP website](#). A member or members of the LEP Board, currently [Neil Douglas](#) and [James Durie](#), are specifically responsible for representing and engaging with the SME business community.
33. An induction process is in place for new members of the LEP Board. All new WECA officers follow the organisation's induction process.

### Remuneration

34. LEP Board members receive no remuneration. The LEP's hospitality and expenses register is published on the LEP website.

### Code of Conduct

35. The LEP Board members are required to follow a Code of Conduct (which includes the conflicts of interest policy) which is based on the Seven Principles of Public Life. This Code of Conduct is published on the [website](#). LEP Board members are required to sign the Code of Conduct before taking up their role. Officers who support the LEP are employees of WECA and are bound by WECA's code of conduct.

### Registering and Managing Interests

36. The LEP Board Code of Conduct includes the way that pecuniary and non-pecuniary interests are declared and managed. This policy applies to all involvement with the work of the LEP. The interests of Board members are published on their individual profile pages on the [LEP website](#). The register of interest is signed within 28 days of taking up the role on the Board and in advance of participation in the role. Board members are required to review their declared interests before each meeting. Senior staff at WECA and the LEP and those who advise on decisions are also required to complete a register of interest form. That of the WECA Chief Executive is published on the LEP website.

### Publication of Meetings and Agenda Items

37. The agendas, reports, minutes and forward plan for the WECA and West of England Joint Committees are published on the West of England Combined Authority [website](#). The Committees receive a regular report with the recommendations made by the West of England Investment Panel which is published as part of the papers.
38. Stakeholders are able to submit questions, petitions or statements to the WECA and Joint Committee.

39. The agenda, reports and minutes of the LEP Board are available on the WECA [website](#). The agenda and reports for the Board are published 5 clear working days in advance of the meeting. The minutes of Board meetings are published within 2 weeks of the meeting. Any recommendations made by the LEP Board relating to the LEP funding programme will be published through the notes of the meeting. The LEP Board is not a decision making body, and aside from the Annual Meeting the Board meetings are not held in public.

### *2.2.2 Complaints, Whistleblowing, Freedom of Information Requests and Data Protection*

40. Any complaints related to the arrangements, processes or decision making associated with the investment programme will follow the formal complaints process of WECA. The [procedure](#) is published on the WECA website and looks to manage any complaints that should arise appropriately and effectively. The complaints process makes provision for third parties or the public to make confidential complaints.

41. In addition to the above, there is also a [Whistleblowing Policy](#) in place. which outlines the process to follow when reporting a perceived wrongdoing within WECA and the LEP, including something that is believed to contravene the core values and Nolan Principles of Public Life. The LEP will inform the Cities and Local Growth Unit should any concerns be raised through the whistleblowing procedure.

42. Procedures are in place to manage [Freedom of Information](#) requests related to the activities of WECA and the LEP, including the investment programme. Appropriate data protection arrangements are in place in line with the Data Protection Act 1998, the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. The existing WECA [Data Protection Policy](#) is to be presented to the LEP Board, at the earliest possible time, with the proposal for the LEP to formally adopt the Policy

43. In the interests of transparency, WECA and the LEP are committed to ensuring relevant information related the business of the LEP Board or decisions at the Joint Committee is published aside from where there are matters of commercial or other sensitivity.

### *2.2.3 Communications and Local Engagement*

44. WECA and the LEP are committed to ongoing engagement with public and private sector stakeholders. This includes engaging stakeholders to inform key decisions and ensuring that there is local engagement with feedback to the general public about future LEP strategy and progress. A WECA Operational Framework and Business Plan has been formally approved and progress with the delivery of the Plan is reported annually. The emerging Local Industrial Strategy is being informed by consultations with key stakeholders and partner agencies from across the West of England.

45. Key information related to the arrangements for, and activities of the LEP, and the LEP funding streams, are published on the LEP website. This is kept up to date to ensure the information remains current, and for the funding programme it reflects the latest position regarding scheme funding and approval status. References to material and documents published on the website are

included in various places within this assurance framework, but for ease a checklist is provided in Appendix 3.

46. The LEP Annual General Meeting will be openly advertised and open to the public.
47. Information related to the operation of the WECA funding streams is published on the WECA [website](#). For AEB, a process of engagement with providers was undertaken in developing the application process and arrangements, and relevant documentation and guidance are published on the WECA [website](#).
48. All scheme Outline and Full Business Cases are published before funding approval is given. External opinion expressed on these business cases by the public and other stakeholders will be made available to the WECA or Joint Committee to inform decision making.
49. WECA and LEP are committed to working with the LEP Network and where appropriate to engage with other LEPs and develop joint strategies and investments and share best practice.
50. WECA will comply with Government communications and branding guidelines for schemes funded through the LGF including the branding and wording used on websites, signage, social media, press notices and other marketing material. These requirements have been shared with all LGF scheme promoters and compliance is a condition set out within grant offer letters.

## 2.3 Accountable body role and financial management

### 2.3.1 Investment Decisions

51. All investment decisions, including ensuring the effective allocation of the investment programme in line with the WECA and LEP Operating Framework and Business Plan, will be the responsibility of the WECA or West of England Joint Committee.

### 2.3.2 The Role of the Accountable Body

52. WECA will be the Accountable Body for all funds within the investment programme and will be responsible for the proper administration and financial probity of the funds received. WECA will ensure the effective use of public money and have responsibility for the proper administration of funding received and its expenditure.
53. As the Accountable Body, WECA will be responsible for overseeing policy, the prioritisation of funding, ensuring value for money, evaluating performance and managing risk. WECA will:
  - Hold investment programme funds and make payments in accordance with the decisions of the WECA or Joint Committee.
  - Ensure that funding is approved and allocated in a manner that is lawful, transparent, evidence-based, consistent and proportionate.

- Ensure that the decisions and activities conform to the legal requirements with regard to equality and diversity, environmental regulations and other relevant legislation and guidance.
  - Ensure through its Section 151 Officer that the funds are being used appropriately, prudently and in accordance with decisions made, and relevant guidance/legislation for the intended purpose.
  - Record and maintain the official record of proceedings relating to decisions made on all investment projects.
54. Should a decision related to funding not conform to this assurance framework eg not meeting legal requirements or representing inappropriate use of funds then WECA, as accountable body, will not action this decision.

### *2.3.3 Accounts and Financial Information*

55. The WECA [Statement of Accounts](#) is published on the Financial Information section of the WECA website. For 2017/18 the LEP income and expenditure is dealt with in note 20 to the accounts. A [Local Growth Fund Annual Report](#) is published setting out grant payments made each year for all projects within the programme. This information will be brought together into the financial statement related to all LEP funding which will be produced as part of the LEP Annual Report for 2018/19 onwards.
56. The investment funds are accounted for in such a way that they are separately identifiable, with individual cost centres. WECA will prepare quarterly financial statements for the WECA or Joint Committee in relation to the overall fund, costs of the investment projects, and profiling of spend.

### *2.3.4 Managing Contracts*

57. All contracts awarded by WECA will follow the authorities financial and procurement regulations. Where projects are delivered by other organisations business cases will set out the procurement strategy, compliance with regulations and how value for money will be ensured. Where there are changes to scheme cost or scope which arise through the procurement process or in delivery these will be reported and considered through the agreed change management process. As set out in paragraph 22, the LEP Board receive regular reports on progress with schemes across the programme so they are sighted on performance and risks.

### *2.3.5 Risk Management*

58. A key role of the assurance framework is to ensure that risk is identified, monitored and managed appropriately, both at a corporate level for WECA and at a programme and project level. The risks associated with individual investment programme projects are discussed in Section 3.5.1 and these will require consideration as part of the business case development through into delivery. The risks associated with the overall investment programme are identified and, in conjunction with plans to mitigate these risks, managed by the Investment Panel. Significant risks will be escalated and will be added to the WECA Corporate Risk Register. WECA's Corporate Risk Register is reviewed by the Senior Management Team each month and activities are reported to Audit Committee.

59. For the LEP funding programme, the current and last reported risk rating for each scheme (based upon a matrix score for progress against milestones, changes in spend profile or cost and potential reputational impact) is periodically reported to the LEP Board as part of a programme dashboard. Deep dives are initiated for projects where progress is of concern.

### *2.3.6 Internal and External Audit*

60. All investment programme funding from HM Government will be held and managed by WECA. In doing so the funds will be subject to financial management arrangements and subject to Internal Audit in accordance with the Accounts and Audit Regulations (2015) and in compliance with the mandatory Public Sector Internal Audit Standards. This will provide independent and objective assurance regarding the effectiveness of WECA's risk management, control and governance processes.
61. The Section 151 Officer will be responsible for reporting on the financial management and assurance of the investment programme to WECA Audit Committee through the delivery and outturn of the annual Internal Audit plan and published accounts.
62. All investment programme funding decisions taken by the WECA or Joint Committee will also be subject to review through WECA annual external audit, which undertakes a review of value for money arrangements by assessing whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resource.
63. Audit reports related to the LEP produced by either internal or external audit will be shared with the LEP Board and the Cities and Local Growth Unit.



## 3 Investment Programme - Project Lifecycle

### 3.1 Scheme Identification and Prioritisation

#### 3.1.1 Prioritisation Process - LEP Investment Programme

64. The LGF is fully allocated and overprogrammed to ensure full delivery of grant. The way that any scheme can be considered for inclusion in the funding pipeline in an open and transparent way is through the submission of an Outline Business Case. Information on the form of these submissions, and the governance process through which they will be considered, is provided on the LEP [website](#). In addition, a [Support Manual](#) and [Step by Step Guide](#) is provided on the [LEP website](#) to assist promoters and to encourage them to draw on best practice when producing a Business Cases.
65. Should a decision be made to extend LGF funding to further pipeline schemes these would be considered through a prioritisation process including their strategic fit, impact and value for money and deliverability. Owing to the nature of the funds, the EDF (which is predicated on borrowing against future business rates growth in the Enterprise Zone and Areas) and the RIF (which requires repayment) are only available to the West of England Councils. The same OBC process still applies.

#### 3.1.2 Prioritisation Process - WECA Investment Programme

66. For the WoEIF and TCF a robust and transparent process of prioritisation is being undertaken to establish a joint investment programme. The detail of the thematic methodology to be used, including prioritisation process and metrics, will be agreed in advance of its application. The outcomes will be published on the WECA website and an audit trail retained. The prioritisation process and WECA investment programme will be subject to regular, and at least annual review.

#### Scheme Identification

67. Candidate schemes for funding through the WECA investment programme will be identified by WECA and the constituent Councils through their fit with the strategic and economic policy and plans for the area including the WECA Operational Framework and Business Plan, emerging Local Industrial Strategy, Joint Spatial Plan, Joint Local Transport Plan and the Energy Strategy. This scheme identification process will be guided by a set of eligibility criteria. The long list will be subject to 'gap analysis' to ensure that key interventions at the programme level have been considered for inclusion.

#### Scheme Assessment

68. Once a long list of interventions is agreed this will be subject to a multi-criteria assessment using a prioritisation tool. This will use a weighted scorecard approach applied to thematic allocations for transport, other infrastructure, business and skills. This will draw on quantitative and, where not readily available, qualitative data. Guidance will be provided to scheme promoters to ensure

consistency of data and requirements. Data inputs will be reviewed through a challenge session to ensure robustness and identify any information gaps.

69. The output of this process will be used to formulate a 20 year investment programme, including a pipeline of proposals. Schemes expected to be in delivery in the next 5 year funding tranche will be able to seek funding through completion of a Strategic Outline Business Case and a Feasibility and Development Funding Application Form to seek formal entry into the programme.

## 3.2 Business Case Development

### 3.2.1 Business Case Stages and Proportionality

70. The business case development and appraisal process will apply the principle of proportionality, with more detailed information being required for large, complex or contentious projects. The application and appraisal process for the investment programme will involve the following stages:
  - **Strategic Outline Business Case (SOBC)** – this will provide the underlying justification for the project and will support the prioritisation and programme development stage. Smaller or less complex schemes may be able to progress direct to Outline Business Case.
  - **Outline Business Case (OBC)** – this will confirm the strategic context, make a robust case for change and identify the preferred option for delivery from a shortlist of options considered based upon how well it meets scheme objectives. The OBC template is shown in Appendix 4.
  - **Full Business Case (FBC)** – this will include a detailed business case for the project consistent with HMT’s guidance on the five case business case model which is developed to a level where it is capable of being given final approval (aside from larger schemes as below), including detailed design and having secured all necessary powers, consents and land to enable the delivery of the scheme. The assessment of Value for Money (VfM) will, in particular, underpin the economic case and the decision to proceed. This will follow the latest Green Book business case guidance and take account of project specific appraisal guidance published by the relevant government department (see section 3.3 on Appraisal). The FBC template is shown in Appendix 5.
  - **Final Approval Business Case (FABC)** – for schemes of a value over £5m an FABC will be produced which will confirm that the project has the necessary contractual/procurement and delivery arrangements in place for the project to proceed. This will provide confirmation of costs and benefits.
71. In the interests of efficiency and to avoid duplication, business cases will build upon, augment and draw upon the recommendations from the previous stages. The final content of and recommendations on the FBC (or for larger schemes the FABC) will be included in the contractual agreements for funding. Where assumptions have been made, these will be clearly set out in the Business Case, with sufficient sensitivity testing carried out on these assumptions to demonstrate the robustness of the economic assessment.

### 3.2.2 Scheme Development Funding

#### WECA Funding Streams

72. Projects within the investment programme funded by WECA funding streams will be eligible to submit for scheme development support from the WoEIF. This will be based on the submission of a Scheme Feasibility and Development Funding Application Form which will identify tasks, timescales and costs for bringing forward an FBC. The template is shown in Appendix 6. All submissions will be appraised by WECA and approved by the WECA Committee.

#### LEP Funding Streams

73. Projects within the investment programme funded by LEP funding streams are expected to meet their own development costs until they secure Outline Business Case approval. Development costs incurred from Outline Business Case approval can be recovered once a scheme has secured Full Business Case approval (or FABC approval if this applies).

### 3.2.3 Due Diligence

74. WECA is committed to undertaking due diligence activities that support effective decision-making and project appraisal. In relation to the investment programme applications, the nature and timing of due diligence will depend on the individual project or scheme, the cost of the scheme and the potential impact of the project. WECA will be responsible for determining when the due diligence is carried out and by whom. A level of due diligence will be carried out by WECA, but external agencies may also be commissioned to support this function as appropriate.

## 3.3 Appraisal

### 3.3.1 Appraisal Criteria

75. The appraisal process for the investment programme will be consistent with HM Treasury's Green Book and Business Case Appraisal process, including supplementary and departmental guidance, such as the Department for Transport's (DfT) WebTAG appraisal guidance for transport schemes and MHCLG's Appraisal Guide. This will be based on the five cases model:
  - **Strategic case** – which provides a compelling case for change and explains how the project fits with the objectives of the organisation and wider public sector agendas.
  - **Economic case** – which describes how the project/preferred option represents best public value.
  - **Commercial case** – which demonstrates that the deal is attractive to the market, can be procured and is commercially viable.
  - **Financial case** – which confirms that the proposed spend is affordable.
  - **Management case** – which confirms that what is required from all parties is achievable.

76. Projects will be appraised against these criteria and should also meet minimum thresholds and requirements (for example, a Benefit Cost Ratio that is at least acceptable and meets the established guidance or recognised benchmarks for that project type).

### 3.3.2 *Assessing Value for Money*

77. It is useful to keep in mind that good VfM, as defined by HM Treasury is the optimal use of resources to achieve the intended outcomes. 'Optimal' being 'the most desirable possible given expressed or implied restrictions or constraints'. VfM is not just about achieving the lowest initial price, it is defined as the optimum combination of whole life costs and quality, with due regard to propriety and regularity.

78. The NAO uses three criteria to assess the VfM of government spending i.e. the optimal use of resources to achieve the intended outcomes:

- **Economy** - minimising the cost of resources used or required (inputs) – spending less.
- **Efficiency** - the relationship between the output from goods or services and the resources to produce them – spending well.
- **Effectiveness** - the relationship between the intended and actual results of public spending (outcomes) – spending wisely.

79. For the investment programme, WECA and the LEP will make investment decisions based on a range of evidence, such as the strategic case and other local impacts and analysis of cost effectiveness (including GVA impact at the local level), as well as the wider VfM appraisal. This evidence will be consistent with HM Treasury's Green Book and other relevant departmental appraisal guidance. These are set out in Appendix 3.

80. Whilst recognising the national BCR will remain the universal metric to assess VfM, WECA will take account of a range of evidence when deciding to invest in a project (such as the local impacts on the economy and investment unlocked) within the context of a wider VfM appraisal. In the event that the national BCR is low/poor, WECA may still decide to invest in a project based on the strength of evidence presented within the overall business case, including the strategic case and local impacts.

81. Independent advice will be sought, including where required external support, for review of business cases. The assessment will be proportionate to the relative size of the scheme being considered, but will, as a minimum, provide independent validation of the assumptions made by scheme promoters.

82. Further safeguards will put in place to avoid any conflict of interest that may arise between consultants acting on behalf of scheme promoters and those that are being asked to provide independent assessments on behalf of WECA.

83. Full Business Case, including their value for money, will be signed off by the s151 Officer or Chief Finance Officer of the promoting organisation. As is the case for VfM statements, Full Business Case

Assessment Summary Reports will be signed off by the WECA s151 Officer and these will be included in the report to the WECA or Joint Committee where the FBC is being considered. Where WECA is the scheme promoter separation of roles will be ensured and business case sign off will be provided by another member of the WECA Senior Management Team or the s151 Officer from one of the constituent Councils. The appraisal reports will be presented to the WECA Committee as part of the decision-making process.

### 3.3.3 Transport Projects

84. For transport projects, WECA and the LEP will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling and appraisal meets the guidance set out in WebTAG. WebTAG will be used for all schemes but for schemes with low cost (below £5m) a more proportionate approach will be taken. In addition to WebTAG, other assessments or methodologies may be being employed to prioritise and assess the overall business case for a scheme.
85. The expectation is that all schemes must achieve “high” VfM (where benefits are at least double costs as set out within DfT’s guidance) at all stages of the approval process. VfM for these schemes will be independently verified on behalf of WECA as part of the assessment process. This will be via a commission to a specialist transport consultant, fully independent from the scheme promoter and with no involvement in the development of the scheme being appraised. The independent assessment will be published and made available to the WECA or Joint Committee as part of the decision making process.
86. Notwithstanding the above principles on VfM, WECA and the LEP will be able to approve transport schemes with lower VfM, having regard to specific circumstances including:
  - Evidenced and compelling wider economic, social and environmental benefits.
  - The ability of the scheme to address multiple WECA and the LEP policy objectives.
  - Significant levels of match funding being provided by the scheme promoter.
87. Such projects must have been subject to earlier rigour to assess options for de-scoping, or to explore higher VfM alternatives, and these considerations will be tested as part of the independent review of the business case and reported as part of decision making to the WECA or Joint Committee. This will include considering the robustness of the evidential basis to enable WECA and the LEP to determine the relative weights to be afforded to the different aspects of the case.
88. The recommendations to the WECA or Joint Committee will clearly explain the rationale for approving a lower VfM scheme and the implications of the recommendation.

## 3.4 Approval process

### 3.4.1 Approval process and timeline

89. To ensure the investment programme is managed strategically the WECA s151 officer, supported by officers in the Investment and Corporate Services Directorate, will be responsible for the overall management of the programme and that linkages are made within the portfolio of projects seeking investment. The appraisal and approval process for individual projects are shown in the flowchart in Figure 3.1. The time taken to assess projects will depend on the nature and complexity of the proposal, but typically business case submissions will be around 2 months prior to decision making at the WECA or Joint Committee.
90. The outcome of the independent assessments of investment programme schemes will be reported to the WECA or Joint Committee as part of the recommendations made on the merits of individual applications. An Assessment Summary Table will form an appendix to these reports, and will be part of the WECA or Joint Committee's public agenda pack that is available to view on-line.
91. Aside from where WECA is the scheme promoter, WECA will prepare a Grant Offer Letter for agreement by the applicant. The offer letter will, in particular, set out the following which will be monitored by WECA:
- A financial profile including quarterly expenditure.
  - A profile of outputs and outcomes to be achieved with key milestones for delivery.
  - Projected impacts and a timetable for their achievement.
92. WECA have appropriate processes in place to recover non-compliant funding. Should a decision be made not to recover funding, a strong and compelling justification will be required which will be formally documented.

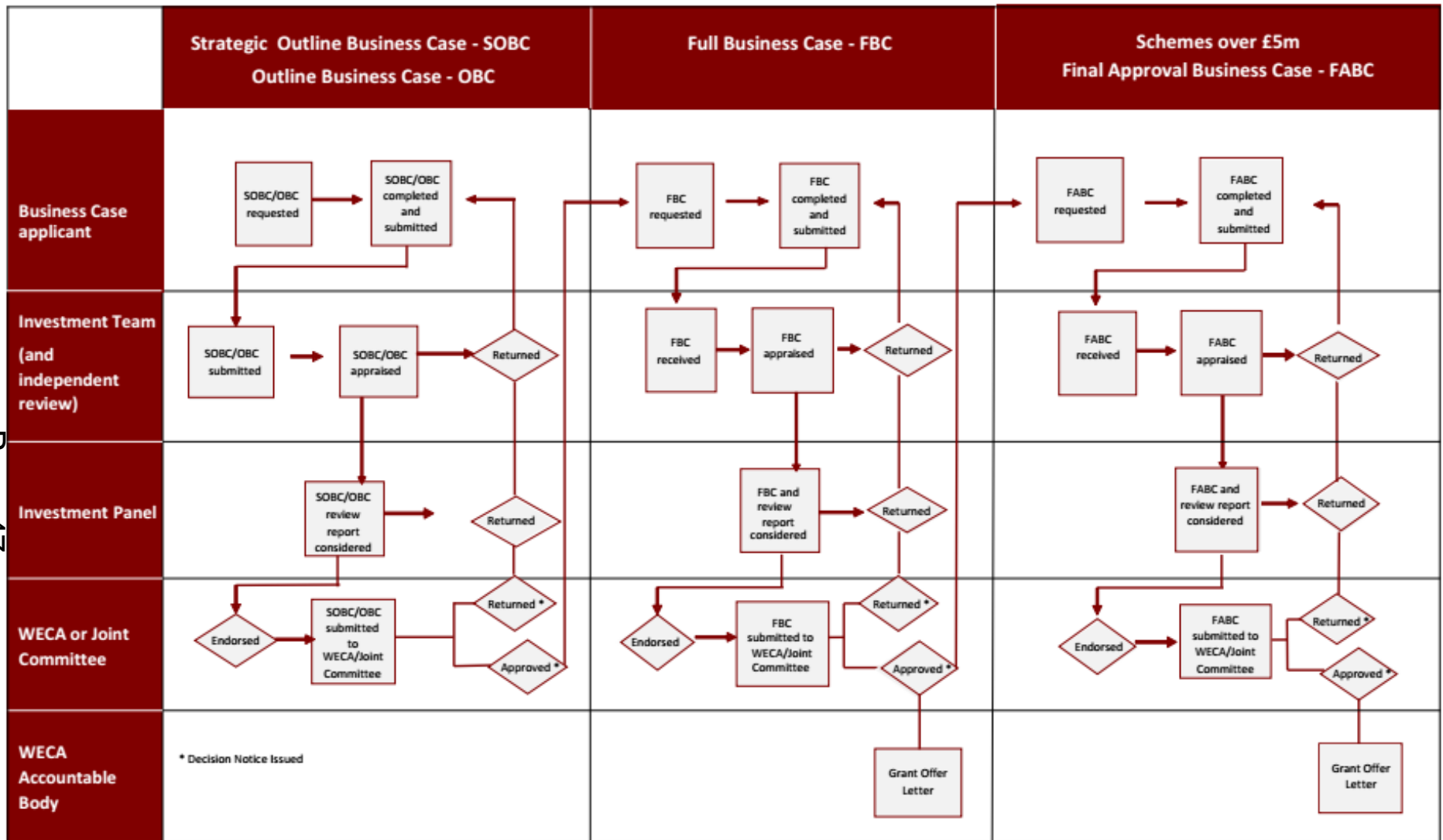


Figure 3.1: Business Case Development and Approval Process

## 3.5 West of England Investment Programme Management

93. A performance management system is used to collate, record and report on the progress of individual projects and the investment programme overall. Where projects do not achieve their milestones for delivery, projects will need to provide evidence to demonstrate that they will be able to get back on track or seek approval for change. Projects that consistently fail to meet projected performance (financial and outputs) may have funding withdrawn. Projects 'at risk' will be reviewed, and the outcomes of this process will be referred back to the WECA of Joint Committee, prior to any withdrawal of funding and decision on expenditure incurred. For the LEP funding programme the LEP Board will also be regularly advised on progress, issues and risks.
94. There are a number of mechanisms that will ensure effective management of the investment programme to maximise the economic impact within the area. These include:
- Designation of the WECA s151 officer as having overall responsibility for management and reporting on the performance of the investment programme to the Departmental Accounting Officer within MHCLG.
  - Ensuring suitable mechanisms and resources are in place to effectively monitor, evaluate and review the performance of projects in the investment programme in respect of delivery, expenditure and outputs/outcomes.
95. A monitoring system is in place for the investment programme to record financial expenditure and claims and the achievement of outputs and outcomes. Quarterly Highlight Reports are submitted to WECA providing progress against key milestones and actual and forecast spend. In addition, the achievement of key performance metrics – capturing outputs and outcomes achieved in pursuing WECA and the LEP Operating Framework, Business Plan and overall growth and wider objectives will be periodically reported linked to scheme Monitoring and Evaluation Plans. The template Highlight Reports for approved schemes and those awarded feasibility or development funding are shown in Appendix 7 and 8 respectively.

### 3.5.1 Risk Management

96. A programme risk register for the overall investment programme is maintained and regularly reported to the Investment Panel. As set out in section 2.3.5, key risks added to the Corporate risk register will be monitored (alongside the performance monitoring procedures) by Internal Audit and reported to the Audit Committee. The WECA Chief Executive will be responsible for the identification and management of risk for the investment programme.
97. A risk management strategy and risk register forms part of the management case of each scheme OBC or FBC. Risks will be managed through appropriate mitigation measures agreed with the project applicant prior to approval of the scheme. Key and current risks will form part of the regular scheme highlight reporting.
98. Overall risk management for the investment programme will have regard to the ongoing monitoring of achieved investment performance against that projected. Appropriate measures will



be adopted to ensure that the monitoring of investments provides an informed basis for future investment decisions.

### *3.5.2 Project Closure*

99. All projects are required to produce an End of Project Delivery Report at the end of the project (within 3 months of completion), which demonstrates that:

- All activities have been delivered in accordance with the offer letter.
- All funding has been spent appropriately in line with the projected financial profile for the project. In addition, final grant claims are accompanied by an audit report.
- There are no outstanding risks or actions that need to be taken to sign the project off by WECA.
- All relevant outputs and key milestones have been achieved.
- The key successes and lessons learnt from the project.
- Confirmation of the evaluation activities to be subsequently undertaken, when these will take place and the lead contact who is responsible for ensuring this occurs.

100. A summary of these reports is published on the LEP website.

## 4 Monitoring and Evaluation

### 4.1 Overview

101. WECA's overall approach to Monitoring and Evaluation is underpinned by the following key principles:

- Reporting requirements are locally defined and support delivery of local strategies
- Evaluation is meaningful and proportionate
- Data is collected once and used many times
- Baseline information is consistent across key initiatives
- Monitoring and evaluation is a core part of all activities
- Lessons learned are used to inform future policy development

This will enable WECA to:

- Demonstrate local accountability. Show how funding is being spent and benefits achieved against local strategies and action plans, demonstrating the value and effectiveness of local decision making and shaping future priorities
- Comply with external scrutiny. Together with the Assurance Framework demonstrate progress and delivery to the constituent council members, senior government officials and Ministers
- Understanding what works. Provide a feedback loop and enables the lessons learnt to be fed back into policy making and communicated to stakeholders, as well as supporting the case for further devolution and investment in the area.
- Developing an evidence base. Provide a mechanism for collecting, collating and analysing data which can be used across the organisation and by others, following the principle of collecting data once and using many times.
- Ensure quality assurance. For interventions funded through investment programme Monitoring & Evaluation plans form part of business case submissions and these are independently reviewed and published to support business case approval decisions by the WECA or Joint Committee

### 4.2 Performance Monitoring

102. All projects funded through the investment programme, regardless of the size, will have an effective monitoring and evaluation plan in place which will form a key part of the business case. This will enable assessment of the effectiveness and impact of investing public funds, and the identification of best practice and lessons learnt that can inform decisions about future delivery.

The monitoring plan will guide the collection of data from individual projects and will be designed to ensure that it captures information required by WECA and government.

103. Individual monitoring and evaluation plans will be proportionate, correspond with procedures for appraisal, and be in line with the latest government department guidance where relevant. These plans will identify the resources required to deliver the proposed monitoring and evaluation activities. All transport schemes will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes.
104. All monitoring and evaluation plans (which will form part of FBCs/FABCs) and interim and final monitoring and evaluation reports will be published on the WECA website.
105. The offer letter will set out the key milestones for the delivery of the scheme together with the outputs and outcomes detailed in the business case and embodied in the monitoring and evaluation plan. Quarterly monitoring returns will be used to capture progress against these agreed milestones and metrics and will include information related to:
  - Delivery
  - Expenditure
  - Outputs and outcomes
106. The individual project monitoring information will feed into an overall monitoring plan for the investment programme, which will be published and periodically reported to the WECA Committee, including the extent to which projects are contributing to the overall objectives of WECA.
107. For the WoEIF, the evaluation component of individual projects' monitoring and evaluation plans will complement the five-year Gateway Review. This government evaluation will focus on identifying the impact of investments made using this funding.

### 4.3 Evaluation and Benefits Realisation

108. Monitoring and Evaluation Plans, which form part of business cases, should identify the outcomes (benefits) planned to be delivered, how outcomes will be measured, a baseline assessment, and how it is intended to implement, monitor and assess the project to identify whether the benefits have been realised in line with the approach and timescales set out in the Plan. As set out in section 3.5.2, the End of Project Delivery Report will confirm the monitoring activities set out in the Monitoring and Evaluation Plan. This report will also identify lessons learnt to inform the future delivery of projects through the WECA and LEP investment programme and more widely.

## 5 Appendix 1

### Adult Education Budget

From 2019/20 WECA is responsible for administering the Adult Education Budget (AEB) within its area. Investment decisions for AEB will be made with full consideration to the statutory entitlements which are detailed in the orders laid down to devolve the functions for administering AEB to WECA.

A robust application process has been established, which to ensure stability for providers, for 2018/19 is closely aligned with the approach and processes used by the Education and Skills Funding Agency (ESFA).

The AEB application form and a suite of guidance for providers are provided on the WECA website

Due diligence on providers applications will be undertaken using a mix of ESFA processes (for current providers) and local arrangements (for new providers).

All decisions related to AEB funding awards will be made by the WECA Committee.

WECA is actively working with a range of stakeholders to support the development of the AEB system which delivers provision to WECA residents. These stakeholders include: providers, provider representative bodies, key local stakeholders (e.g. Local Authorities, DWP, VCSE infrastructure organisations, DfE/ESFA etc.). This work is conducted both through formal engagement routes (pre-arranged group meetings) and informal meetings (group & 1-2-1).

WECA will seek to work with a range of stakeholders in terms of the evaluation of devolved AEB. This will also include members of the West of England Skills Advisory Panel which will be operational by the end of the first year of devolved AEB operation.

WECA will report on the previous academic year findings to date each January, referencing the most up to date publicly available data at that point in time. This submission will include:

**a. The policy for adult education**

**b. AEB spend**

**c. Analysis of delivery to WECA residents**

**d. Local Impact** with regard to:

- Overall participation in AEB funded provision.
- Number of learners exercising their statutory entitlement to full funding for: i) english and maths up to Level 2; ii) first full level 2 (learners aged 19-23); and iii) first full level 3 (learners aged 19-23).
- Completion and achievement rates.

## 6 Appendix 2

### Change Management Delegations for the Investment Programme

| Category |  | Scale  | Approval  |
|----------|--|--|---|
| 1        | Cost Increases                                       | Cost increases of up to 10% to a ceiling of £100k (Feasibility and Development Funding) and £300k (approved scheme funding) subject to funding being available and there being no impact on any other project in the programme | <p><b>WECA funding streams:</b> WECA CEO, in consultation with WECA Directors</p> <p><b>LEP funding streams:</b> LEP CEO in consultation with the West of England Directors</p> |
|          |  | Cost increases above this threshold  | WECA or Joint Committee   |
| 2        | Reductions in Match Funding                          | Reduction in match funding up to 10% to a ceiling of £300k   | CEO in consultation with Directors  |
|          |  | Reduction in match funding above this level  | WECA or Joint Committee   |
| 3        | Reprofiling of Spend (with no cost increase overall) | Reprofiling of up to £50k (Feasibility and Development Funding) and £100k (approved scheme funding) between financial years  | CEO in consultation with Directors  |
|          |  | Reprofiling between financial years above this level   | WECA or Joint Committee   |
| 4        | Time   | Slippage of milestone(s) for approved schemes less than 3 months   | CEO in consultation with Directors  |
|          |  | Slippage of milestones of 3 months or more   | WECA or Joint Committee   |
| 5        | Scope, Benefits and Quality                          | Up to 10% change in value of quality as percentage of project value and/or 10% change in one or more metrics of benefits and/or minor change to the scope of the scheme  | CEO in consultation with Directors  |
|          |  | Over 10% change in value of quality as percentage of project value and/or over 10% change in one or more metrics of benefits, or a fundamental change to the scope of scheme   | WECA or Joint Committee   |

## 7 Appendix 3

### LEP Publication Checklist

|  |
|--|
| The Local Growth Assurance Framework   |
| Annual Financial Statement   |
| Annual Report and Delivery Plan  |
| <a href="#">Statement on the publication of LEP Board meeting papers, minutes and agenda items</a>   |
| <a href="#">LEP Board meeting agendas, papers and minutes</a>  |
| <a href="#">LEP Board membership and Terms of Reference</a>  |
| <a href="#">Annual Assurance Statement from the leadership of the LEP</a>                            |
| <a href="#">The LEP's Code of Conduct and Conflict of Interest policy</a>                            |
| <a href="#">Board Members' registers of interest</a> and the register of the Chief Executive Officer |
| The LEP hospitality and expenses register  |
| <a href="#">Complaints policy</a>  |
| <a href="#">Whistleblowing policy</a>  |
| The LEP funding programme with a description of the scheme, the promoter and the funding awarded     |
| Annual Funding Report detailing projects in receipt of funding and grant payments made               |
| <a href="#">Strategic Economic Plan</a>  |
| <a href="#">WECA Operating Framework</a>   |
| <a href="#">WECA Business Plan</a>   |
| Local Industrial Strategy  |
| <a href="#">WECA Committee Reports</a> and <a href="#">Joint Committee Reports</a>                   |

## 8 Appendix 3

### 8.1 Methodology to Assess Value for Money for Various Scheme Types

#### 8.1.1 Transport

Schemes will be subject to the minimum requirements on VfM assessment, assurance and evaluation of transport projects set out in Annex B of the National Local Growth Assurance Framework Guidelines. The minimum requirements are set out below. These will apply to all transport schemes aside from those in the LGF programme which are below £5m and have already secured Outline Business Case approval under the requirements of the previous LEP assurance framework.

- The modelling and appraisal of schemes contained in business cases must be developed in accordance with the guidance published in WebTAG at the time the business case is submitted for approval.
- Central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). Alternative planning assumptions may be considered as sensitivity tests the results of which may be considered in coming to a decision about whether to approve a scheme.
- The appraisal and modelling will be scrutinised to ensure it has been developed in accordance with the WebTAG. This will be undertaken independent of the management unit or authority promoting the scheme.
- A value for money statement for each scheme in line with published DfT WebTAG guidance and DfT advice on assessing VfM will be presented for consideration at each approval stage.
- The VfM assessment must be signed off as true and accurate by WECA's s151 Officer.
- Only schemes that offer at least "high" value for money, as assessed using DfT guidance will be approved aside from the circumstances outlined in section 3.3.3 of this framework. Schemes will be assessed against the relevant thresholds at each approval stage.
- Business cases must be published (and publicised) before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders must be available to decision makers when decisions are being taken (see section 2.2.3)
- Schemes will be monitored and evaluated in line with the latest DfT guidance on the evaluation of local major schemes.

#### 8.1.2 Housing and Commercial Interventions

Arrangements will be based on Homes England good practice, advice and guidance, alongside MHCLG's appraisal guide for residential and non-residential development. For projects beyond housing and transport interventions, for example enabling works, land assembly, utilities and/or public realm projects, the HMCLG appraisal guide will be useful in helping to appraise the costs and benefits of these types of interventions.

### *8.1.3 Skills Capital*

ESFA Skills Funding Agency good practice, advice and guidance will provide a reference for skills capital projects. These projects will be expected to follow the same business case process and requirements as other schemes within the investment programme.

### *8.1.4 Growth Hubs*

The Growth Hub will comply with the 'principles of funding' which includes using robust monitoring and evaluation systems to exercise continuous service improvement, ensure excellence in quality delivery and deliver greater levels of impact on business.



## 9 Appendix 4

9.1 Outline Business Case Template

## 10 Appendix 5

10.1 Full Business Case Template

## 11 Appendix 6

11.1 Feasibility and Development Funding Application Form Template

## 12 Appendix 7

12.1 Scheme Highlight Report Template

## 13 Appendix 8

13.1 Feasibility and Development Scheme Highlight Report Template

This page is intentionally left blank