

West of England LEP Board Board Meeting

Thursday, 11 July 2019, 9.30 am

Not Open to the Public

Prof Steve West (Chair)
 Katharine Finn (Vice-Chair)
 Andrew Hodgson
 David Brown
 Prof Hugh Brady
 Martino Burgess
 Neil Douglas
 James Durie
 Christopher Grier
 Dick Penny
 David Pester
 Jon Reynolds
 Mohammed Saddiq
 Mayor Marvin Rees
 Cllr Toby Savage
 Mayor Tim Bowles
 Cllr Dine Romero
 Cllr Donald Davies

West of England LEP
 PwC
 KPMG
 The Bristol Port Company
 University of Bristol
 Gregg Latchams
 Viper Innovations
 Business West
 Airbus
 Watershed
 TLT Solicitors
 GDS Digital
 Wessex Water
 Bristol City Council
 South Gloucestershire
 West of England Combined Authority
 Bath and North East Somerset
 North Somerset Council

AGENDA

	Subject	Presenting	Pages
1.	<p>Welcome and apologies <i>To welcome those present and to report apologies received.</i></p> <p><i>Apologies received in advance of the meeting from Mohammed Saddiq, David Pester, Cllr Don Davies.</i></p>	Steve West	
2.	<p>Minutes of the meeting of 17 May 2019 <i>To approve minutes from the previous meeting.</i></p>	Steve West	3 - 8
3.	<p>Declarations of Interest <i>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.</i></p>	Steve West	
	BUSINESS ITEMS		
4.	New Business Member	Steve West	

5.	<p>Local Industrial Strategy Update <i>To update the LEP Board on progress towards publishing the Local Industrial Strategy and implementation planning.</i></p>	Jess Lee	9 - 10
	<p>ITEMS FOR DISCUSSION</p>		
6.	<p>City Leap <i>There will be an accompanying presentation at the meeting.</i></p> <p><i>The move to a smart, local, decentralised energy system presents a significant opportunity to decarbonise energy and deliver a wide range of benefits to the region, its businesses and residents. City Leap has generated significant interest nationally and internationally for Bristol and is entirely replicable across the West of England region.</i></p> <p><i>The Board will be asked to consider the opportunities outlined and any others that may better support decarbonisation across the region.</i></p> <p><i>The Board will also be asked to consider utilising their significant combined networks and influence to raise awareness of the opportunities with other businesses across the region.</i></p>	Mayor Marvin Rees	11 - 16
7.	<p>Any Other Business <i>It is proposed that the LEP Board meets 6 times a year in line with the WECA Committee/Joint Committee cycle of meetings. This would necessitate a rescheduling of some meeting dates previously agreed.</i></p> <p><i>It is proposed that the LEP Board meets on the following dates during 2019/20:</i></p> <p><i>Friday 29 November 2019</i> <i>Friday 24 January 2020</i> <i>Friday 13 March 2020</i></p>		

Date of Next Meeting: Tuesday 1 October 2019, 9:30am

**West of England
West of England LEP Board**

Friday, 17 May 2019, 10:30am
WECA Offices, 3 Rivergate, Bristol BS1 6ER
3 Rivergate, Bristol BS1 6ER

Present:

Prof Steve West, West of England LEP
David Brown, The Bristol Port Company
Prof Hugh Brady, University of Bristol
Martino Burgess, Gregg Latchams
Neil Douglas, Viper Innovations
James Durie, Business West
Christopher Grier, Airbus
Dick Penny, Watershed

David Pester, TLT Solicitors
Jon Reynolds, GDS Digital
Mohammed Saddiq, Wessex Water
Mayor Marvin Rees, Bristol City Council
Cllr Toby Savage, South Gloucestershire
Mayor Tim Bowles, West of England Combined Authority
Cllr Dine Romero, Bath and North East Somerset
Cllr Donald Davies, North Somerset Council

Officers In Attendance:

Patricia Greer, Chief Executive
Dave Perry, Chief Executive, SGC
Mike Jackson, Chief Executive, BCC

Jo Walker, Chief Executive, North Somerset Council
Ashley Ayre, Chief Executive, B&NES

Apologies:

Katharine Finn, PwC

Andrew Hodgson, KPMG

Minutes

		Action
1	<p>Welcome and apologies</p> <p>Professor Steve West, Chair, welcomed everybody to the meeting and offered a specific welcome to the new Leaders of Bath & North East Somerset Council (Cllr Dine Romero) and North Somerset Council (Cllr Don Davies)</p>	
2	<p>Minutes of the meeting of 2 April 2019</p> <p>The minutes of the meeting held on 2 April 2019 were agreed as a correct record and signed by the Chair.</p> <p>Regarding Item 4, there was a specific action for the Local Industrial Strategy (LIS) Team to develop a Local Industrial Strategy (LIS) programme of deliverables. This would be covered under Item 6.</p>	
3	<p>Declarations of Interest</p> <p>All Board members were reminded that they had a responsibility to treat all proposals/projects equally and impartially and therefore must declare whether they or their organisation had a direct or indirect interest in any of the projects to be considered by the Board.</p> <p>James Durie declared an interest regarding the Skills West contract and the Talent Institutes.</p> <p>Professor Steve West, Professor Hugh Brady, Dick Penny and Chris Grier also</p>	

	<p>declared an interest regarding the Talent Institute proposals.</p> <p>Dick Penny and Steve West declared an interest in Bristol Virtual Reality Lab.</p>	
4	<p>New Business Members</p> <p>The Chair reported that following a request from Government the Board should be more gender balanced, a number of potential new Board members had been recruited following an interview process. The interviews had been conducted by Steve West, Katharine Finn and Martino Burgess, although Steve West had sat out one of the interviews because he knew the candidate.</p> <p>The Chair therefore recommended that five new members join the Board, with their appointments being phased in as existing Members terms ended, subject to the approval of the Board.</p> <p>The five new members recommended were:</p> <ul style="list-style-type: none"> ▪ Margot Day, Arcadis [BuroHappold] ▪ Joanne Rumley, Foot Anstey ▪ Heather Cooper, Hargreaves Lansdown ▪ Natasha Swinscoe, WEAHSN ▪ Zoe Metcalfe, Arup <p>The Board unanimously agreed the appointments.</p>	
5	<p>Employment and Skills Plan</p> <p>Stephen Bashford, Head of Business and Skills, and Rachel Pykett, Policy Manager, gave an update on the Employment and Skills plan which sat underneath the Local Industrial Strategy. Board members were requested to provide comment on the progress highlighted in the report in relation to direction of travel, strategic fit and delivery approach. The item had an accompanying presentation which was circulated following the meeting.</p> <p>The report stated that the Business and Skills Directorate was responsible for developing and managing a wide-reaching portfolio of projects and programmes against the Combined Authority's operating framework and associated objectives. The work was designed to address market failure and add value to economic development activity already in place across the public and private sectors.</p> <p>A brief update on projects currently being developed and delivered was set out, grouped into the following thematic headings, mirroring the strategic priorities of the Emerging Local Industrial Strategy:</p> <ul style="list-style-type: none"> • People, Skills and Inclusive Growth; • Enterprise, Inward Investment and Trade; • Innovation and Sector Development. <p>Each of these themes had a number of objectives and projects and more details of these were set out in the report, in the accompanying presentation and verbally at the meeting. These could be categorised into five key visions and objectives:</p> <ul style="list-style-type: none"> • Integrating our employment, skills and education system to ensure it is aligned with demand and responsive to changing patterns of employment; • Encouraging all young people to achieve their potential; 	

	<ul style="list-style-type: none"> • Supporting everyone who is able to work, to do so, by helping to address their barriers to employment; • Empowering people to progress within employment, including to better, higher paid opportunities if they wish to do so; • Ensuring employers are able to recruit and retain the diverse skills and talent they need to thrive from within and beyond the region <p>In respect of the Future Bright programme it was reported that there had been a sharp rise in the number of referrals to the programme. Whilst it was due to close in 2020, partners were keen to see the scheme extended and potentially cover a broader cohort of people. It was noted that the pilot scheme was currently going through an evaluation process.</p> <p>In respect of the Talent Institutes, a feasibility study had been undertaken to see whether WECA could invest in this large-scale activity. Eight outline submissions for possible TIs had been proposed from a range of sectors. Five of these were deemed to largely fit the expected vision of TIs. A summary of these proposals had been set out in Appendix 2 of the report. These proposals had helped to identify initial demand and need within the WECA region.</p> <p>The final Employment and Skills Plan, following a period of public consultation, would be brought to the Joint Committee for approval in July 2019.</p> <p>The following comments were made by the Board:</p> <ul style="list-style-type: none"> • The LEP Board could try to influence the government in providing more apprenticeships, etc. Patricia Greer replied that there would be a spending review paper submitted with a list of things WECA would like to be provided; • It was asked whether the LEP could feedback to government regarding the engagement level in schools due to the Academy system, although it was noted that this may not be something the LEP were able to influence; • It was suggested that the issue of engagement could be raised with the Regional Schools Commissioner although it was pointed out they were more concerned with mechanisms. It was however, a real opportunity to engage with youngsters below secondary level, 10/11 year olds about what they would like to do and this is something that could make a massive difference; • It was asked what was meant by “clean” in the drive for Clean Growth. It was noted that there were certain groups that could not necessarily afford to attend interviews and trainings and there may be ways that new technologies and industries could drive modal shifts in the way people worked and travelled in the future. 	
6	<p>Local Industrial Strategy</p> <p>Jess Lee, Head of Policy & Strategy, gave an update on the Local Industrial Strategy. Since the last LEP Board meeting in April 2019 the Authority had been working to develop policy proposals which reflected the four key priority areas as follows:</p> <ul style="list-style-type: none"> • Driving inclusive growth; • Creating an environment for Business Growth; • Fostering Innovation; 	

	<ul style="list-style-type: none"> Investing in infrastructure. <p>Policy proposals would be submitted to Government in June 2019. We will work with the Strategy Steering Group (a sub group of the LEP Board) to finalise the proposals and would report on progress to the next LEP Board.</p> <p>Jess Lee stated that the West Midlands Combined Authority had become the first Combined Authority to publish their Local Industrial Strategy, with Greater Manchester shortly to follow. WECA was aiming to publish their Local Industrial Strategy prior to the summer 2019.</p> <p>It was confirmed that a meeting of the Strategy Steering Group would be arranged before the next LEP Board meeting.</p> <p>In response to a question raised about benchmarking the Chair stated that this was a mechanism to track and monitor progress for the areas LEP had responsibility for. Once it was signed off the LEP could work through the management of the projects.</p>	
7	<p>Infrastructure Update (Mass Transit)</p> <p>David Carter, Director of Infrastructure, submitted a report with an accompanying presentation informing the Board of the progress to date and proposed next steps for the development of proposals for Mass Transit in the West of England to deliver the following objectives:</p> <ul style="list-style-type: none"> Creating a step change in the mass movement of residents and visitors across the region to address existing congestion issues and provide new capacity to sustainably facilitate growth in Housing and Employment across the West of England; Driving inclusive growth: enabling as many people as possible to contribute and benefit from growth; Environment for business growth: supporting businesses to grow and for residents to progress their careers; Investing in infrastructure and housing for future growth, delivering on regional plans; <p>David Carter explained that the Joint Local Transport Plan (JLTP) contained a proposal to study the following options for a Mass Transit scheme:</p> <ul style="list-style-type: none"> Potential technology options for each route and/or the entire network; Potential alignment options and station/stop locations; Patronage forecasts; Benefits assessment; Funding options; Environmental impacts. <p>A Mass Transit scheme had the potential for making positive changes to air quality and congestion in the region as well as better opportunities to move people around, thus stimulating regeneration. Four main transit routes had been identified for further investigation: Airport corridor, North corridor, East corridor and A4 corridor.</p> <p>Comparisons of other systems had shown that Crossrail had the potential of handling 50,000 passengers per hour depending on frequency of service but it was important any particular solution covered its costs or made a small operating</p>	

	<p>profit. London Underground for example made around £1bn surplus per year but this was used to subsidise the bus network meaning the whole of London's transport network was revenue neutral. Financing of networks could include some sort of private-public partnership.</p> <p>Some parts of the network already existed such as Metrobus 1, 2 & 3 and extensions to park and ride sites, but some parts of the network still needed to be connected together more coherently.</p> <p>In order to inform the work it was vital that demand for services was clearly identified in advance and digital data would be used provided by, amongst others, mobile phone operators and Highways England.</p> <p>The Chair acknowledged that this was a strategically big project with information needed about how people were going to be travelling in 10-15 years' time. David Carter acknowledged that this would be an incremental process and it was important not to spend time getting data which was out of date.</p> <p>In response to a question asking whether the passenger numbers would make the services viable, David Carter stated that a joint objective with the DfT and Highways England was to not increase motorway traffic with the key helping passengers 'jump' the motorway network.</p> <p>Mayor Bowles said that the project was moving to the next stage with more announcements to follow. This was an opportunity to the Combined Authority and business to look at the future transport ambitions and what the nature of that work would look like.</p> <p>It was reported that there was some scepticism in the wider community as to whether any of the proposals would come to fruition. There was a concern that the schemes may be Bristol-centric rather than Bath and the fringe areas, although it was acknowledged that it was important to prioritise.</p>	
8	<p>Local Growth Fund</p> <p>Pete Davis, Head of Grant Management and Assurance, submitted a report seeking approval for the Local Growth Fund quarterly monitoring report for submission to Government. The LEP Board were requested to approve the Quarter 4 2018/19 LGF quarterly dashboard.</p> <p>The report stated that at the LEP Board meeting in January 2019 it had been agreed that the dashboard would be provided to the LEP Board for approval when possible prior to submission to the Cities and Local Growth Unit.</p> <p>The completed dashboard was tabled at the meeting. The Chair stated that if there were any concerns the Chief Executive would take another look to ensure that the projects were not slipping.</p>	
9	<p>Any Other Business</p> <p>The Chair reported that the Annual Report and the LEP Delivery Plan were due for sign-off by the Joint Committee on 14 June 2019. It was proposed that the document be circulated to the LEP Board members prior to that meeting for any comments. Comments received by the despatch can be considered for inclusion</p>	

	in the report, otherwise the Chair can report any comments to the Committee at its meeting on 14 June 2019.	
10	Date of Next Meeting	
	Thursday, 11 July 2019, 9.30 am, WECA Offices, 3 Rivergate, Bristol BS1 6ER	

DRAFT

**West of England Local Enterprise Partnership
Board meeting – 11th July 2019**

Local Industrial Strategy Update

Purpose of the report

1. To update the LEP Board on progress towards publishing the Local Industrial Strategy and implementation planning.

Background

2. We are working towards agreeing the West of England Local Industrial Strategy in time for publication before the summer recess. As previously discussed at the Board, this timetable is crucial if we are to maintain momentum and retain the support of the stakeholders who have been involved in the process.
3. At the last meeting of the Strategy Steering Group (a sub-group of the LEP Board) it was agreed that we should push ahead with this timetable. The Steering Group also considered a draft of the document and feedback has been reflected.
4. We are anticipating publication during the week commencing 15th July, exact timing has yet to be confirmed so we will update the Board on the latest timetable for this at the meeting.
5. We will use the meeting to update the Board on implementation planning and to take the Board's views on the role of the Strategy Steering Group and Challenge Panel in the implementation phase of the work.

Author: Jess Lee

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LOCAL ENTERPRISE PARTNERSHIP - 11 JULY 2019

REPORT TITLE: CITY LEAP

**AUTHOR: James Sterling, Communications, Engagement and Partnership Manager
The Energy Service and City Leap – Bristol City Council**

Cover Report

1. The move to a smart, local, decentralised energy system presents a significant opportunity to decarbonise energy and deliver a wide range of benefits to the region, its businesses and residents. There is a significant opportunity for the business community to play a key role in City Leap including connecting to heat networks, electrifying vehicle fleets, sharing infrastructure, increasing low carbon generation and reducing costs through greater energy efficiency.
2. A brief presentation on Bristol's City Leap will be brought to the LEP Board and will outline the current status of the initiative, as well as a number of areas of opportunity where we would seek input, partnership and support from the Board.

2.1 These opportunities include:

- Collaboration to deliver shared infrastructure, such as Electric Vehicle charging infrastructure, at lower cost than going alone.
- 'Bulk buying', e.g. solar panels, EVs, to drive down costs.
- The utilisation of shared land/assets for the installation of renewable technologies.

3. The ask of the Board

During the discussion that follows the presentation, the Board will be asked to consider these opportunities and any others that may better support decarbonisation across the region.

The Board will also be asked to consider utilising their significant combined networks and influence to raise awareness of the opportunities with other businesses across the region.

We understand that there is limited time on the agenda for detailed discussion, and our team would be delighted to brief Board members individually or return to the LEP Board in the coming months.

Attached – Further Information on City Leap Energy Partnership

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Further information

Background information on City Leap

Bristol City Council is leading by example in the action against climate change and has committed to Bristol becoming a carbon neutral city by the year 2050. The council has invested over £50m in low-carbon technologies over the last decade and delivering a number of pioneering energy infrastructure projects including:

- Being the only local authority in the country to own large-scale wind turbines having invested £7m in the installation of two 2.5MW wind turbines in 2015.
- Investing £5m in the installation and/or facilitation of 8MW of solar PV on council-owned buildings and land.
- Investing over £2m in biomass boilers with a generating capacity of 5.2MW.
- Investing £5m in low-carbon heat networks to date, connecting over 1,000 social housing properties to the network.
- Setting up Bristol Energy, one of the only two municipally-owned energy companies in the UK, which now has over 150,000 customer meter points and is rapidly developing its energy services proposition and capability.

Building on all that the council has achieved, there is a need to significantly up the pace of delivery to help meet the city's social, environmental and economic objectives. Partnership has been identified as a key mechanism for achieving this and this is why the council launched the City Leap initiative in 2018.

The aim of City Leap is to take advantage of the transition to a decentralised energy system to build an interconnected, low carbon, smart energy system that delivers social, environmental and economic benefits for the people of Bristol, building on the innovative leadership the council has shown in energy and sustainability over almost three decades.

The council has a compelling value proposition; the council itself, with its assets and influence, the council's award-winning Energy Service, with its expertise in delivering low carbon energy infrastructure and pipeline of investment opportunities, and the council's wholly-owned energy supply company, Bristol Energy, which will have a key role to play in this transition by harnessing its energy supply expertise and smart energy innovation capabilities to put the company on a sustainable footing for the future.

City Leap will leverage this value proposition to drive city-wide action, strategically co-ordinating and delivering energy infrastructure projects at significantly increased scale and pace over and above what the council could achieve on its own.

This transformation will require significant levels of investment; levels that the council cannot deliver alone. Therefore, one of City Leap's aims is to attract, facilitate and deliver at least £1bn of low carbon and smart energy infrastructure investment in Bristol's energy system.

To that end, in May 2018, the council published the City Leap Prospectus, which set out our past successes, current programme of work and future investment opportunities in relation to energy. The Prospectus invited engagement from any organisation with an interest in Bristol's future energy vision and the range of investment opportunities set out in the document. The response to the City Leap Prospectus exceeded the

City Leap Energy Partnership

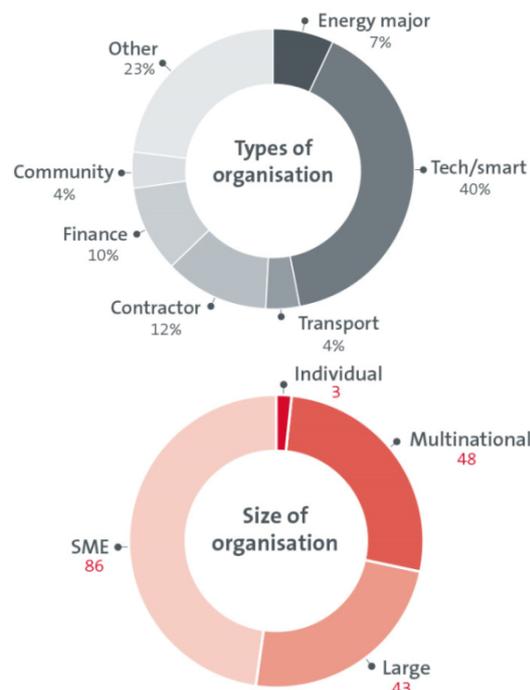
council’s expectations with 180 Expressions of Interest being submitted containing a wide range of proposals.

The council subsequently undertook an extensive soft market testing phase with organisations that submitted Expressions of Interest, as well as completing its own comprehensive options appraisal. The outcome of these exercises is that the council’s preferred model to deliver City Leap is to set-up a joint venture with a strategic partner.

The response to City Leap

The response to the City Leap Prospectus greatly exceeded the council’s expectations with 180 expressions of interest (EOIs) being received from a broad range of local, national and international organisations.

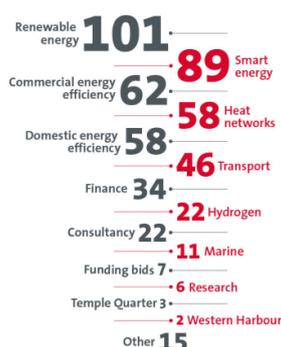
The chart on the right shows a breakdown of the organisations that responded by type.



Of the 180 organisations that expressed an interest, we have broken these down by organisation size in the chart on the right.

Areas of interest

We have also analysed the areas of interest for each organisation and these can be seen in the table below. Understandably, the majority of organisations identified interest in multiple areas, so the figures greatly exceed 180 due to this crossover.



Finally we have broken organisations down by geography as shown by the infographic below – Bristol and the Southwest (47), rest of the United Kingdom (107) and International (52).



The vision for City Leap

The aim of City Leap is to strategically develop, co-ordinate, deliver and facilitate a smart, interconnected energy system for Bristol; One that leverages the assets within the city to deliver clean, affordable energy to its people, communities and companies. City Leap will make it possible for Bristolians to take ownership of their energy system, using it to build better lives for themselves and their children.

For the citizens of Bristol, this means:

- **Better quality of life:** by improving the warmth and comfort of their homes; through better air quality and environment; by creating better health outcomes.
- **Delivering simple, affordable energy:** by delivering simple, attractive and cheaper energy tariffs and services; by helping to insulate people from future price rises.
- **Greater prosperity:** by creating local jobs in energy and related supply chains, by creating economic growth through affordable energy.
- **Increased ownership:** people can see and own the assets which generate and deliver their energy and influence their energy system, through the local political process and having a say in City Leap.

For the city, it means:

- **Better environment:** addressing targets for climate change, air quality and the environment in the shortest possible timeframe.
- **Generating economic development:** investment in local facilities; local jobs in the energy supply chain; affordable energy for local industry.
- **Improved health, wellbeing and social welfare:** warmer, healthier homes and cleaner air lead to improved health; jobs and affordable energy reduce fuel poverty and improve social welfare.
- **Building our reputation:** City Leap builds from and further develops Bristol's reputation as a forward thinker and innovator.

For investors and partners, it means:

- **Generating an appropriate return on assets:** opportunities to invest in new energy assets with a well-defined route to monetise these assets to deliver an appropriate return on investment.
- **Creating new, service-based revenue streams:** participation in advanced service-based energy propositions.
- **Developing new business models:** an early opportunity to trial and develop the new business models that are emerging from the transition to a smart energy system.

For the wider energy system, it means:

- **Gaining better insight into energy usage and flows:** by using real time data from smart metering and other technology, to understand patterns of generation and consumption in order to reduce demand.
- **Creating access to demand side flexibility:** by enabling investment in energy storage and smart devices, and by linking these devices to digital platforms that enable better monitoring and control of these assets.
- **Increasing low carbon generation:** supporting increased investment in low carbon generation by enabling generation and storage to access additional revenue streams and higher value service-based revenue models.
- **Creating new models for system operation and governance:** by demonstrating new models of local operation and governance, better suited to a world of smart decentralised energy.

City Leap will achieve this vision by using smart, digital technologies to aggregate Bristol’s future portfolio of “energy assets” — buildings and housing, low carbon heat and power generation, heat networks, public and private wire network infrastructure, battery and thermal storage systems, energy efficiency, public transport and low/no emission vehicle infrastructure — into an integrated whole. It will use real-time data on local patterns of energy consumption and generation to optimise the match between supply and demand, thereby maximising the value derived from these local assets and the benefits they deliver to local people.

This will enable us to better align the way we generate, transport, store and use energy with people’s needs for warmth, light, mobility and health, and with the wider energy system’s needs for cleaner energy and greater flexibility to reduce demand. The end result will be to substantially reduce both the cost and the environmental impact of Bristol’s and the UK’s future energy system.

The objectives for City Leap

The council has set six Strategic Objectives for City Leap, which are outlined below:

1	Establishment of a long-term, flexible City Leap Energy Partnership to strategically develop, co-ordinate, deliver and facilitate a programme of work that supports the creation of a resilient energy system for Bristol on its pathway to carbon neutrality by 2050.
2	Optimise Bristol City Council’s assets and services to attract additional investment and generate revenue to support a sustainable business model for the City Leap Energy Partnership.
3	Ensure that the residents, communities and businesses of Bristol are fully engaged by the City Leap Energy Partnership and are able to influence and participate in the programme of work.
4	Maximise the economic, social and environmental benefits arising from the programme of work carried out by the City Leap Energy Partnership, including job creation and the alleviation of fuel poverty in Bristol.
5	Ensure that the City Leap Energy Partnership supports and enables innovation , ensuring Bristol prospers from the energy revolution and enhancing its reputation as a leading global ‘smart city’.
6	Further enhance Bristol’s reputation as a leading energy city through monitoring, evaluating and disseminating the lessons learned from City Leap and working towards replicating City Leap across the UK and beyond.

Our current position

In April 2019, Bristol’s Mayor and Cabinet approved our recommendation and supported our approach to commence a procurement exercise to find our future strategic partner. This procurement will commence in Q4 2019 and will result in Bristol City Council forming a Joint Venture with a private sector partner (or partners through consortium).

This strategic partnership will merely be the start of the City Leap journey, which will need to be flexible and inclusive in its approach, bringing in new projects, innovation and partners over time as Bristol progresses towards carbon neutrality and a more decentralised, democratised energy system.