

A meeting of the
WECA Overview & Scrutiny Committee

will be held on

Date: Wednesday, 27 January 2021

Time: 10.30 am

Place: Zoom virtual meeting, to be broadcast on the WECA YouTube channel

Please note: the 27 January WECA Overview & Scrutiny Committee will be broadcast at this link:
https://youtu.be/k0_FhN1e3-g

Notice of this meeting is given to members of the West of England Combined Authority Overview & Scrutiny Committee as follows:

Cllr Brian Allinson, South Gloucestershire Council
Cllr James Arrowsmith, South Gloucestershire Council
Cllr John Ashe, South Gloucestershire Council
Cllr Stephen Clarke, Bristol City Council
Cllr Winston Duguid, Bath and North East Somerset Council
Cllr Geoff Gollop, Bristol City Council
Cllr Gary Hopkins, Bristol City Council
Cllr Carole Johnson, Bristol City Council
Cllr Brenda Massey, Bristol City Council
Cllr Hal MacFie, Bath and North East Somerset Council
Cllr Mhairi Threlfall, Bristol City Council

Copies to North Somerset Council representatives: Cllr Mike Bird, Cllr Peter Crew, Cllr Huw James

Enquiries to:

Ian Hird

Democratic Services & Scrutiny Manager

Email: democratic.services@westofengland-ca.gov.uk

Tel: 07436 600313

Members of the public may:

- Attend all WECA Committee and Sub-Committee meetings unless the business to be dealt with would disclose 'confidential' or 'exempt' information.
- Inspect agendas and public reports five clear working days before the date of the meeting.
- Inspect agendas, reports and minutes of all WECA Committees and Sub-Committees for up to six years following a meeting.
- Inspect background papers used to prepare public reports for a period of up to four years from the date of the meeting.
- Have access to a list setting out the decision making powers the WECA has delegated to their officers and the title of those officers.
- For further information about this agenda or how the authority works, please contact Democratic Services, telephone 07436 600313 or e-mail: democratic.services@westofengland-ca.gov.uk

AGENDA

1. WELCOME AND INTRODUCTIONS

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

Members who consider that they have an interest to declare are asked to: a) State the item number in which they have an interest, b) The nature of the interest, c) Whether the interest is a disclosable pecuniary interest, non-disclosable pecuniary interest or nonpecuniary interest. Any Member who is unsure about the above should seek advice from the Monitoring Officer prior to the meeting in order to expedite matters at the meeting itself.

4. MINUTES OF PREVIOUS MEETING

5 - 14

To confirm the minutes of the meeting of the committee held on 2 December 2020 as a correct record.

5. ITEMS FROM THE PUBLIC (QUESTIONS; STATEMENTS; PETITIONS)

Note: WECA virtual public committee meetings are currently being arranged as 'Zoom' video conferencing meetings, broadcast on the WECA YouTube channel. Please note: the 27 January WECA Overview & Scrutiny Committee will be broadcast at this link:

https://youtu.be/k0_FhN1e3-g

WRITTEN PUBLIC QUESTIONS

1. Any member of the public can submit a maximum of two written questions to this WECA virtual public committee meeting.
2. The deadline for the submission of questions is 5.00 pm, at least 3 clear working days ahead of a meeting. For the 27 January meeting of the WECA Overview & Scrutiny Committee, the deadline for questions is 5.00 pm on Thursday 21 January.
3. Questions should be addressed to the Chair of the committee and e-mailed to democratic.services@westofengland-ca.gov.uk
4. Under the direction of the Chair, wherever possible, written replies to questions will be sent to questioners by the end of the working day prior to the meeting.
5. Please note - under WECA committee procedures, there is no opportunity for oral supplementary questions to be asked at committee meetings.
6. Questions and replies will be circulated to committee members in advance of the meeting and published on the WECA website.

PUBLIC STATEMENTS

1. Any member of the public may submit a written statement (or petition) at a WECA virtual public committee meeting.
2. Please note that one statement per individual is permitted.
3. Statements must be submitted in writing and received by the deadline of 12 noon on the working day before the meeting. For the 27 January meeting of the WECA Overview & Scrutiny Committee, the deadline for statements is 12 noon on Tuesday 26 January. Statements should be emailed to democratic.services@westofengland-ca.gov.uk
4. Statements will be listed for the meeting in the order of receipt. All statements will be sent to committee members in advance of the meeting and published on the WECA website.
5. Please note – if any member of the public wishes to 'attend' the virtual meeting to orally present their statement, they are asked please to notify the WECA Democratic Services team of this by 12 noon on the working day before the meeting at latest.
6. In presenting a statement at the meeting, members of the public are generally permitted to speak for up to 3 minutes each if they so wish. The total time available for the public session at this meeting is 30 minutes. Within the time available, every effort

will be made to enable individuals to verbally present their statements; at the discretion of the Chair, speaking time may sometimes be reduced depending on how many public items are received.

6. CHAIR'S BUSINESS / ANNOUNCEMENTS

7. REVIEW OF 29 JANUARY WECA COMMITTEE AND JOINT COMMITTEE REPORTS 15 - 42

Overview report enclosed.

8. CITY DEAL BUSINESS RATES POOLING UPDATE 43 - 50

Report enclosed.

Agenda Item 4

West of England Combined Authority WECA Overview & Scrutiny Committee

Wednesday, 2 December 2020, 10:30am

Meeting held virtually and broadcast on the WECA YouTube channel

Present:

Cllr Brian Allinson, South Gloucestershire Council	Cllr Gary Hopkins, Bristol City Council
Cllr John Ashe, South Gloucestershire Council	Cllr Carole Johnson, Bristol City Council
Cllr Stephen Clarke, Bristol City Council (Chair)	Cllr Brenda Massey, Bristol City Council
Cllr Winston Duguid, Bath and North East Somerset	Cllr Hal MacFie, Bath and North East Somerset Council
Cllr Geoff Gollop, Bristol City Council	Cllr Mhairi Threlfall, Bristol City Council

Present from North Somerset Council

Cllr Huw James
Cllr Mike Bird

Officers in attendance:

Ian Hird, Scrutiny Manager	Stephen Bashford, Director of Business and Skills
Shahzia Daya, Director of Legal and Democratic Services	David Carter, Director of Infrastructure
	Malcolm Coe, Director of Investment and Corporate Services

Apologies:

Cllr James Arrowsmith, South Gloucestershire Council	Cllr Peter Crew, North Somerset Council
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Minutes

1	WELCOME AND INTRODUCTIONS The Chair welcomed everybody to the meeting which was being held virtually via Zoom and broadcast via the Authority's Youtube channel.
2	APOLOGIES FOR ABSENCE An apology for absence was received from Cllr James Arrowsmith. Cllr Peter Crew had also indicated he was unable to attend as an observer from North Somerset Council.
3	DECLARATIONS OF INTEREST No declarations of interest were declared.
4	MINUTES OF PREVIOUS MEETING The minutes of the meeting held on 7 October 2020 were agreed as a correct record and signed by the Chair.
5	ITEMS FROM THE PUBLIC (QUESTIONS; PETITIONS; STATEMENTS) One question and six statements had been received from members of the public as follows: 1. Question from: Tony Lloyd – Rail projects

	<p>Statements:</p> <ol style="list-style-type: none"> 1. David Redgewell - Regional governance; transport issues 2. Lucy Travis - Regional governance; transport issues 3. Kim Hicks - Spatial Development Strategy engagement 4. Gavin Smith / Martin Garrett - Integrated Transport Authority 5. Cllr Clive Stevens – WECA governance 6. Tony Lloyd – Rail issues <p>Members of the public attended and addressed the meeting on the topic of the statements in relation to statement numbers 1, 3, 4, 5 and 6.</p>
6	<p>CHAIR'S BUSINESS / ANNOUNCEMENTS</p> <p>Following issues raised during the public speaking item, the Chair confirmed that he had sent a letter on behalf of the Committee to the Mayors and Leaders of the four authorities in support of the proposal that North Somerset Council become a member of the Combined Authority area but no formal response had been received. The Chair asked for agreement that this letter be shared with the press. The following comments were made:</p> <ul style="list-style-type: none"> • It was agreed that the letter be formally put forward to the WECA Committee as an appendix to the Overview & Scrutiny Committee's comments and would be raised verbally by the Chair as part of his presentation to that Committee at the meeting on 4 December 2020; • Members of the Committee asked whether they could receive a detailed history of the proposal with the Authority's Monitoring Officer updating the Committee on the factual positions and options available; • It was also suggested that the Overview & Scrutiny Committee would need time to consider the information on the issues and options. It was suggested that an option should be explored around the West of England Mayoral elections due in May 2020 being postponed if necessary in order to resolve the issue rather than waiting an additional four years. <p>Resolved: That the letter sent on behalf of the Chair to the Mayors and Leaders be circulated as an appendix to the Scrutiny Committee's comments to the WECA Committee meeting on Friday 4 December 2020 and that the letter be released to the press by the Chair.</p>
7	<p>REVIEW OF 4 DECEMBER WECA COMMITTEE AND JOINT COMMITTEE REPORTS</p> <p>The Committee discussed the items being brought forward for decision by the WECA Committee at its meeting on 4 December 2020. The following issues were raised:</p> <ul style="list-style-type: none"> • Strategic Rail Investment – a question was raised regarding the plans for electrification and the timescales. It was stated that accessibility and electrification were priorities for Network Rail and a ten year plan was being developed. More electrification was able to have taken place during Covid than had been previously planned; • Target frequency table – it would be helpful to have the existing frequencies added; • Mass Transit – the Strategic Outline Business Case would be completed in 2021 and would look at routes and modes and this would examine cross-overs, and could be amended to pick up existing works, with DfT or Network Rail, although the particular modal changes would have to go through its own process; • Ashton Gate – South West Bristol Investment Strategy, being produced in conjunction with BCC would look at transport provision in south west Bristol and would report in 2021. This would include station provision around Ashton Gate stadium; • Network Rail and operators had a priority of 100% accessibility at railway stations. The Authority was commissioning additional work in this area and Nailsea and

Backwell station would be included.

- Financial Reports – LEP and IBB budgets were on track for the end of the year and were similar to the monitoring reports received in October 2020;
- The Local Growth Fund had to be spent by March 2021 and the Getting Building Fund by March 2022 (with 50% by March 2021);
- On the LEP Budget more money had been attracted with additional grants received;
- It was asked whether Bath Quays was overspending due to delays but no significant variation had been reported;
- IBB was concerned with inward investment rather than tourism;
- Growth Hub was dealing with more than growth but the name was based on national government branding;
- Do IBB produce an annual report? Stephen Bashford stated that a presentation to the Scrutiny members could be arranged;
- Investment Fund key recommendations concerned reallocation of £36m into a development infrastructure fund into key development sites in the region including Hengrove Park and recommendations around Charfield station and Chew Valley Lake recreational trail;
- Emergency Active Transport Fund – a query was raised about which fund the £10m spend was allocated from. It was agreed that Malcolm Coe and David Carter would write to Cllr Threlfall with clarification on this but there were 2 tranches of funding totalling around £3.7m in total;
- It was requested that the Authority's risk register reflect the risk of business rate collections and that the risk register be brought to committee on a regular basis, with initial view for the next informal Scrutiny Committee meeting in January 2021;
- Adult Education Budget – it was reported that a regional delivery plan was now in place to allow more focussed provision, including tailored support for those being made unemployed due to the pandemic;
- A more streamlined adult education delivery was planned with main providers sub-contracting if necessary;
- Cllr James addressed the meeting on the findings of the Skills Sub-Group who had scrutinised the report prior to its publication. He stated that they had welcomed the report and had found the session useful, and thanked officers for that opportunity. It was asked that the data on learner training be circulated, once the analysis had been completed;
- WECA Officers had been invited to see the work being done in BCC on English as a second language training;
- They encouraged FE and HE colleges to work towards the climate emergency targets set out in the climate emergency strategy;
- A bit more information was requested on other options considered in the provider base. It was stated that the Authority believed that the middle ground lay between stability and flexibility for residents;
- More information on provision for adults with learning difficulties was requested – it was stated that this group had been identified for more support and more funding would be available soon;
- Residents needed to identify their learning needs and AEB was part of a suite of support available;
- Cllr James would circulate the notes of the Skills Sub Group meeting as an appendix to the formal Committee comments to go forward to WECA Committee;
- Cllr Threlfall spoke about the Transport Sub-Group meeting which heard about Future Transport Zones which took a smart approach to local transport, with an app-based approach (although it was acknowledged not everybody had a smart phone), and the ethical issues of gathering data on transport usage;
- Pilots on on-demand transport had taken place previously but the affordability of this was questioned especially around variable shift patterns;

	<ul style="list-style-type: none"> • There were plans to increase the geographical area coverage for e-scooters and the group had discussed the implications of this; • Covid reductions in travel had had an impact on public transport usage but car usage had returned to almost pre-Covid levels and there were concerns that the roads would gridlock once lock-down was over. <p>Resolved: That the Committee’s formal comments together with appendices be circulated to WECA Committee to be considered as part of the formal decision-making process.</p>
	<p>The next meeting would be held on Wednesday, 27 January 2021, 10.30 am, Zoom virtual meeting, to be broadcast on the WECA YouTube channel</p>

The meeting closed at 12:31pm

**APPENDIX 1 COMMENTS FROM COUNCILLOR STEPHEN CLARKE,
CHAIR OF WEST OF ENGLAND COMBINED AUTHORITY OVERVIEW & SCRUTINY
COMMITTEE**

COMMENTS TO BE SUBMITTED TO:

**JOINT MEETING OF WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE AND WEST
OF ENGLAND JOINT COMMITTEE – 4 DECEMBER 2020**

Following our meeting on 2 December, I wish to raise the following matters on behalf of the Overview and Scrutiny Committee:

1. WECA and North Somerset

Mayors and Leaders will be aware that I wrote to you on behalf of the scrutiny committee on 20 November – see letter at Appendix 1. I have now received a reply from Mayor Bowles writing in his personal capacity as West of England Mayor, but I await a response from other members of the WECA Committee.

We are aware of the motion passed at the Bristol City Council meeting on 25 November.

We have asked for clarity from WECA officers about the options that may still be available and the processes and timeline that would need to be followed to enable North Somerset Council to join WECA.

We stress that in our view, you need to discuss this issue urgently as Mayors and Leaders and try and ensure that our region, including North Somerset, has the ability to speak with one voice when decisions are being made by central government that impact on all our citizens. It remains our understanding that if this issue cannot be resolved urgently, then North Somerset will not be able to join WECA until 2025 at the earliest. This is unacceptable in our view.

2. Strategic Rail Investment (agenda item 11)

The committee was broadly supportive of the 10 year rail plan and strongly support all measures that can be delivered as part of this plan in terms of electrification of rail and ensuring fully accessible stations. We noted that the Strategic Outline Business Case for mass transit will be completed in 2021, and that, depending on the outcome, this may ultimately result in some future adjustments being required to the rail plan.

3. Investment Fund (agenda item 15)

The committee was supportive of the proposals being brought forward through this report, including the creation of the Development Infrastructure Fund and the Housing and Regeneration Enabling Fund.

A specific query was raised regarding how the WECA £10m allocation for Walking and Cycling is reflected in the report - subsequent to our meeting, we have received clarification from officers that £1.1m is allocated for ‘Business Case Development’ (p107 of the 4 December WECA Committee agenda pack - Appendix 1 of the Investment Fund

report), entitled “Local Cycling & Walking Infrastructure”, with the remaining £8.9m included within the Transport Infrastructure projects ‘tail’ of £47.445m (as detailed on p108), and we note that this sum will be drawn down upon completion of relevant business cases.

4. Adult Education Budget – approach for the 2021/22 academic year (agenda item 16)

The committee was supportive of these proposals and received an update from the Scrutiny Skills member sub-group which has looked at this issue in depth and highlighted the following points:

Members particularly welcomed:

* The commissioning of adult education providers that will work towards the region’s Industrial Strategy, Employment and Skills Plan, and economic recovery from Covid-19.

* WECA’s joined up approach to the Adult Education Budget, encouraging the sharing of provider delivery plans to avoid duplication within FE Colleges.

Members also encouraged:

* More working with overview and scrutiny in this area, in particular to review performance data for the Adult Education budget.

* That FE and HE providers work closer together to work towards our Climate Emergency targets, seeing the green industrial strategy as a possible future impetus for greater joint working to achieve our low carbon aims.

A full report back from the group on their meeting is included at Appendix 2.

At our committee meeting, we also noted and welcomed that WECA has invested in the We Work for Everyone project to improve employment outcomes for people with learning disabilities across the region.

5. Report back from Scrutiny Transport sub-group

We received a report back from the Transport sub-group which has recently been updated on the development of the Future Transport Zones programme, the current e-scooters trial and the situation regarding the Covid impact on public transport.

In terms of the ‘Dynamic demand responsive transport’ project, it was suggested that issues around affordability for users must be considered; lessons could also be learnt from a previous pilot in the Henleaze area of Bristol.

Cllr. Stephen Clarke

Chair, West of England Combined Authority Overview & Scrutiny Committee

20/11/20

Dear Mayor Rees, Mayor Bowles, Cllr. Savage and Cllr. Romero

North Somerset and WECA

I write this letter as the Chair of WECA Overview and Scrutiny Committee. Please note however that it has been agreed by the other members of that committee of all political parties and all geographical locations (as listed below).

We note with some dismay the contents of the recent letter addressed to Mayor Rees from the leaders of the other authorities which comprise WECA, and North Somerset. We only know the details contained in that letter and subsequent statements from Mayor Rees so it is possible that we are not in possession of some of the relevant facts.

In principle, it makes complete business, geographical and environmental sense that North Somerset be part of the combined authority and indeed we understand that was the original hope and intention. For whatever political decision made by those in power in North Somerset at that time, this did not happen.

In questions of transport, housing and the environment our region must ideally be considered as an entity including North Somerset if the full benefits of devolution are to be realised, and we recognise that new investment is essential to achieve this. It is nonsense for example that half of Bristol Port is geographically in WECA and half is not and that a major piece of transport infrastructure such as Bristol Airport has no political links with the region it primarily serves.

We note that all constituent authorities support – in principle – the expansion of WECA to include North Somerset. We also note that Mayor Rees has stated that the challenges to this progress is due to a lack of financial detail from Westminster.

We understand that if this issue cannot be resolved urgently then North Somerset will not be able to join WECA until 2025 at the earliest and this is not acceptable. Therefore, we ask that all parties meet to discuss this urgently and try and ensure that our region has the ability to speak with one voice when decisions are being made by central government that impact on all our citizens.

We request to be updated on the progress including process, governance and financial details so that we can adequately scrutinise this issue.

Yours sincerely

Stephen Clarke, Green Party, Bristol City Council. Chair of WECA Overview and Scrutiny Committee.

Winston Duguid, Lib Dem, BANES.

Hal MacFie, Lib Dem, BANES.

Geoffrey Gollop, Conservative, Bristol City Council.

Gary Hopkins, Lib Dem, Bristol City Council.

Brenda Massey, Labour, Bristol City Council.

Carole Johnson, Labour, Bristol City Council.

Mhairi Threlfall, Labour, Bristol City Council.

Huw James, Lib Dem, North Somerset Council.

Mike Bird, Independent, North Somerset Council.

APPENDIX 1

Peter Crew, Conservative, North Somerset Council.
John Ashe, Conservative, South Glos Council.
Brian Allinson, Conservative, South Glos Council.
James Arrowsmith, Lib Dem, South Glos Council.

Appendix 2 - Adult Education Budget sub-group notes

Councillors in Attendance: Brenda Massey, Peter Crew, Huw James, and James Arrowsmith

Officers in Attendance: Stephen Bashford, Naomi Logan, Henry Laws, Tim Milgate

The WECA Skill Sub-Group:

• **Note and agree:** with the recommendations, and thank the Adult Education Team for meeting with us and discussing their work plan.

• **We particularly welcome:** ○ The commissioning of adult education providers that work towards the region's Industrial Strategy, Employment and Skills Plan, and Economic Recovery from Covid-19.

○ The West of England Combined Authority's joined up approach to the Adult Education Budget, encouraging the sharing of provider delivery plans to avoid reduplication within FE Colleges.

Traditionally, there has been lots of reduplication and FE colleges worked together where there was commercial benefit, rather than for the good of West of England learners. Using public funding more openly to deliver the best value.

• **We encourage:** ○ More working with overview and scrutiny. In particular it would be good to see more performance data for the Adult Education budget.

○ FE and HE providers to work closer together to work towards our Climate Emergency Targets, seeing the green industrial strategy as a possible future impetus for greater joint working to achieve our low carbon aims. There's certainly the physical infrastructure to do this within the construction sector of adult education – there just needs to be some money to incentivise joint operating models.

Summary of Meeting:

Henry Lawes introduced councillors to the Adult Education Budget Report.

Key Points were:

• Adult education funding is typically targeted towards over-18s who have not picked up an academic or vocational training – often providing Level 2 or 3 training.

• Years 19/20 were focused on continuity, 20/21 will introduce measured changes, including curriculum delivery plans that will be linked to grant funding allocations, new performance management objectives, and a new commissioning approach linked into the Local Industrial Strategy¹ and Employment and Skills Plan^{2,3}

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818989/1907_VE_RSION_West_of_England_Interactive_SINGLE_PAGES.pdf

² <https://www.westofengland-ca.gov.uk/employment-skills-plan/>

³ https://www.westofengland-ca.gov.uk/wp-content/uploads/2019/06/190320-Employment-and-Skills-Plan-Evidence-Base-June-2019-FINAL_compressed.pdf

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- As such, the 20/21 AEB will feature much more change than in the previous year and will require a greater focus.
 - WECA has 29 Adult Skills Funding providers – this includes some very small contract allocations. £600 to multi millions, FE Colleges, Charities, Local Authorities – some local some further afield. A new Minimum Contract Value should change this so that 19 of our 29 providers will be removed (amounting to £1.2 million in contracts).

Clarifications:

1. Could you explain the difference between workforce for the future funding and the adult education budget and how the spending is used? Workforce for the Future Funding is targeted at SMEs and their Workforces, focused on diagnostics and in-work upskilling, whereas the AEB is targeted at residents and focused on their needs.

Questions:

a) How many people are benefitting from this at the moment? On an average year 15,500-16,000 it is postcode restricted to people within the WECA region. We don't have exact data as its just come in however they will have a clearer picture within a few weeks.

b) What has been the funding impact this year? The government are starting to realise that AEB is an area that requires extra funding, and covid-19 has brought extra funding for specific areas. £600,000 for sector based worked academies with high value to our community. This will be administered within the way the government recommend.

c) How will our use of Online and Distance Learning change? This year's AEB hopes to reduce reduplication in Distance Learning and to end the use of low-quality distance learning that adds little value for learners. Future funding will be prioritised towards locally-focused providers, OR, whatever optimises community need – disadvantaged communities are most likely to respond to face to face learning rather than distance.

d) Questions surrounding the DIT, and how to encourage growth within FE Colleges – particularly the City of Bristol and, South Gloucestershire and Stroud Colleges.

e) Will the Minimum Contract value drown our smaller, more niche and tailored providers? The majority of smaller providers did not add much value towards the region. There are exceptions for example, there's one provider who offered supported internships. Additional funding will be invested to fill gaps in the strategy. – these smaller providers should end up being part.

f) Business West and the IPPR say that ESOL training for immigrants and residents who are not fluent or proficient in English Language Skills will play an essential part in providing the West of England Labour market with the workforce it needs following the proposed migration changes. What is the provision of affordable or free training like currently and what's the ambition there? We offer free training to some groups, others will have to pay (No Recourse Rules). Lots of work on restructuring to make provisions more efficient, for example reducing reduplication within geographic locales –

however there's no national funding focus on this. Cllr Massey has invited West of England to meet the key providers who have created a strategy together. We need to think about who needs provisions but doesn't get any.

Overview and Scrutiny West of England Scrutiny Meeting:

g) Learning Difficulties – We Work for everyone fund aims to support 2,000 people with learning difficulties across the region – this goes live soon.

h) How do people who are low income and unemployed find out about these Adult Education Schemes? DWP, Future Bright, and redundancy rapid response.



WEST OF ENGLAND COMBINED AUTHORITY

AGENDA ITEM 7

OVERVIEW AND SCRUTINY COMMITTEE - 27 JANUARY 2021

OVERVIEW REPORT - REVIEW OF 29 JANUARY WECA COMMITTEE AND WEST OF ENGLAND JOINT COMMITTEE REPORTS

DIRECTOR: SHAHZIA DAYA, DIRECTOR OF LEGAL SERVICES

AUTHOR: IAN HIRD, DEMOCRATIC SERVICES & SCRUTINY MANAGER

Purpose

1. The Overview & Scrutiny Committee is asked to review the reports due to be considered at the 29 January joint meeting of the WECA Committee and Joint Committee and formulate any comments they may wish to refer to the committees.

RECOMMENDATION:

That the committee identify any comments they wish to submit to the WECA Committee and Joint Committee on 29 January 2021.

29 January reports – overview

2. The agenda for the 29 January meeting has been published and circulated. The agenda papers make clear which items are for decision by the respective committees and can also be accessed from this web link:

Web link to 29 January agenda papers – Joint meeting of the WECA Committee and the West of England Joint Committee:

<https://westofengland-ca.moderngov.co.uk/ie/ListDocuments.aspx?CIId=192&MIId=449>

3. The Combined Authority has actively continued to review its key activities to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on proposals are addressed in the 29 January committee reports.

4. The Overview & Scrutiny Committee is asked to consider/formulate any specific comments to submit to the 29 January meeting (a standard slot is included on the agenda to enable the Chair to present any comments on behalf of scrutiny members).

5. For ease of reference, **Appendix 1** sets out short summaries of all the 29 January reports. Officers will be in attendance at the meeting to highlight key aspects of the reports. It is suggested that the following 'overviews' be given by officers, with an opportunity for members to ask questions/comment:

a. INFRASTRUCTURE REPORTS

(suggested time allocation: 40 mins):

Lead officers:

David Carter, Director of Infrastructure

Laura Ambler, Head of Regional Housing & Planning

Karen Ross, Planning & Housing Team Leader

Peter Mann, Head of Strategic Transport Integration

*** Agenda item 12 – West of England Housing Delivery Strategy**

- This report presents the draft West of England Housing Delivery Strategy, 'A Strategy for Homes 2020-30'.
- Together, WECA and the West of England UAs are developing a long-term Housing Delivery Strategy which sets out our ambition, the role and remit of WECA in housing delivery and how we intend to deliver on this.
- Our ambition is to increase and accelerate delivery of new homes of all tenures, particularly Affordable Housing, to support priority locations where market failure either prevents housing coming forward quickly enough, or at all.
- By intervening at a strategic, regional level, we intend to maximise the impact of aligning focus and resource, and by taking a strategic approach as a joined-up public sector, we will aim to deliver better outcomes for communities and better value for the public purse.
- The strategy sets out a route map for sites from land acquisition and/or assembly through to delivery and explains how the process will be streamlined and de-risked by taking a partnership approach to the process and by pulling in and coalescing the available funding. It is built around an initial funding package to 2023 of circa £40m from the WECA Investment Fund and a bid for £500K One Public Estate 8 funding (award in February 2021) and includes a suite of other interventions to be developed over time.

*** Agenda item 19 – Bus network recovery**

(Note: the Scrutiny Transport sub-group will be briefed in detail on this matter on 21 January and will report their comments to the meeting).

- This report provides an update on network recovery from the coronavirus emergency, explains possible funding models under consideration by Government and seeks delegated authority to enable urgent decisions to be made between committee meetings, specifically in relation to any devolved emergency funding to support local bus services and associated powers should a suitable offer be made by Government.

*** Agenda item 20 – Transport decarbonisation study**

(Note: the Scrutiny Transport sub-group will be briefed in detail on this matter on 21 January and will report their comments to the meeting).

- This report seeks approval to undertake a study to develop the evidence base for producing a transport decarbonisation Issues and Options paper.
- The study will assist in setting out a route map and in clarifying the required strategic interventions to help achieve carbon neutrality by 2030.

b. WECA ANNUAL BUSINESS PLAN (agenda item 11)

(suggested time allocation: 20 mins)

Lead officer:

Lynda Bird – Head of Performance, Planning & Projects

- This report sets out the West of England Combined Authority Business Plan for 2021-22.
- The business plan presents our planned strategic activities over the coming year and sets out how we will work with our partners to achieve these. It brings together our overarching objectives of inclusive growth and addressing the climate emergency, and aligns with our published recovery plan and [Local Industrial Strategy](#).
- For 2021/22 we have strengthened the section on strategic outcomes to reflect the totality of the planned investments through both the WECA Investment Fund and the Local Growth Fund.

c. FINANCIAL / BUDGET REPORTS

(suggested time allocation: 40 mins)

Lead officer:

Malcolm Coe – Director of Investment & Corporate Services

*** Agenda item 13 - Local Enterprise Partnership revenue budget setting report 2021-22**

This report sets out the proposed budget for the Local Enterprise Partnership for 2021-22

*** Agenda item 14 - Local Enterprise Partnership One Front Door funding programme report**

This report sets out requested scheme changes in respect of the Local Growth Fund (LGF), the Economic Development Fund and the Revolving Infrastructure Fund (RIF). The report also seeks approval of the Outline Business Case and associated funding request submitted by North Somerset Council for the Weston General Stores project. This will see the refurbishment and repurposing of units within the Sovereign Centre, which is owned by

North Somerset Council, to support the regeneration of the town centre through diversification of use and creating an attractive space for work, collaboration and creativity.

*** Agenda item 15 – Mayoral budget setting report 2021-22**

This report sets out the proposed budget for the West of England Combined Authority Mayoral functions for 2021/22.

*** Agenda item 16 – Combined Authority Budget 2021-22 and medium-term financial forecast**

This report sets out the proposed budget for the Combined Authority for 2021-22.

*** Agenda item 17 – Capital Strategy including Investment and Treasury Management Strategies**

This report sets out the Capital Strategy for the Combined Authority including the:

- detailed capital budget for 2021/22, and indicative budget up to 2024/25
- Treasury Management Strategy for 2021/22
- WECA Investment Strategy 2019 to 2023

*** Agenda item 18 – Investment Fund**

This report seeks approval for feasibility, development and delivery funding, and for change requests for schemes within the current approved programme.

The specific proposals being brought forward / recommended for approval by the WECA Committee in this report include:

- Development funding applications for the 10 Year Rail Delivery Plan and North Fringe public infrastructure projects.
- The Strategic Outline Business Case for the Winterbourne & Frampton Cotterell and Coalpit Heath & Westerleigh bypasses.
- The Outline Business Case for the Bottle Yard Studios – Hawkfield Business Park.
- A funding allocation to match fund the Kingswood Future High Streets bid to Government.
- The Full Business Case for the Innovation for Renewal and Opportunity project

Appendices:

Appendix 1 – short summaries of the reports submitted to the 29 January joint meeting of the WECA Committee & West of England Joint Committee.

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird on 07436 600313; or by email:

democratic.services@westofengland-ca.gov.uk

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WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE

ITEM 11

& WEST OF ENGLAND JOINT COMMITTEE

29 January 2021

REPORT SUMMARY SHEET

WECA ANNUAL BUSINESS PLAN

Purpose

To present the West of England Combined Authority (WECA) Business Plan for 2021-22.

Summary

* The WECA business plan covers activity during the financial year to deliver the objectives of WECA and the Local Enterprise Partnership (LEP).

* The business plan for 2021-22 is enclosed as Appendix One. The business plan presents our planned strategic activities over the coming year and sets out how we will work with our partners to achieve these. It brings together our overarching objectives of inclusive growth and addressing the climate emergency and aligns with our published recovery plan and [Local Industrial Strategy](#).

* The business plan is intended to provide a strategic framework for delivery that will enable us to flex our programmes and projects to respond to the ongoing challenges presented by the Covid-19 pandemic.

* For 2021-22, the section on strategic outcomes has been strengthened to reflect the totality of the planned investments through both the WECA Investment Fund and the Local Growth Fund.

* Quarterly progress reports on delivery of the business plan will be prepared for the committees and an annual report on activity during the 2020-21 financial year will be presented at the mid-year committee meetings.

Recommendation

The Combined Authority Committee and the Joint Committee are each asked:

- To approve the West of England Combined Authority Business Plan for 2021-22.

Contact officer: Lynda Bird

Position: Head of Performance, Planning & Projects

Email: lynda.bird@westofengland-ca.gov.uk

29 January 2021

REPORT SUMMARY SHEET

WEST OF ENGLAND HOUSING DELIVERY STRATEGY

Purpose

This report is to seek approval of the draft West of England Housing Delivery Strategy – ‘A Strategy for Homes 2020-30’.

Summary

This report includes the following key information:

- Together, WECA and the West of England UAs are developing a long-term Housing Delivery Strategy which sets out our ambition, the role and remit of WECA in housing delivery and how we intend to deliver on this.
- Our ambition is to increase and accelerate delivery of new homes of all tenures, particularly Affordable Housing, to support priority locations where market failure either prevents housing coming forward quickly enough, or at all.
- By intervening at a strategic, regional level we intend to maximise the impact of aligning focus and resource, and by taking a strategic approach as a joined-up public sector we will deliver better outcomes for communities and better value for the public purse.
- The strategy sets out a route map for sites from land acquisition and/or assembly through to delivery and explains how the process will be streamlined and de-risked by taking a partnership approach to the process and by pulling in and coalescing the available funding.
- It is built around an initial funding package to 2023 of circa £40M from the WECA Investment Fund and a bid for £500K One Public Estate 8 funding (award in February 2021) and includes a suite of other interventions to be developed over time.

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- Increasing and accelerating provision of new homes will contribute positively to economic recovery by creating both direct and indirect jobs. Every £1 invested in construction of housing generates £2.84 in total economic activity.

- The proposals in the draft Delivery Strategy support the principles of clean and inclusive growth.
- Additional Affordable Homes delivered under the Strategy will provide high quality, affordable homes for people in housing need and will help towards alleviating homelessness.

Recommendations

The Joint Committee is asked to approve the draft West of England Housing Delivery Strategy.

Contact officer: Karen Ross

Position: Housing and Planning Team Manager, West of England Combined Authority

Email: karen.ross@westofengland-ca.gov.uk

29 January 2021

REPORT SUMMARY SHEET

LOCAL ENTERPRISE PARTNERSHIP (LEP) REVENUE BUDGET SETTING REPORT 2021-22

Purpose

This report asks the committee to consider and approve the budget in respect of the Local Enterprise Partnership (LEP) for 2021/22.

Summary

This report includes the following key information:

* **Appendix 1** sets out the detail of the proposed Local Enterprise Partnership budget for 2021/22.

* The core running costs of operating the LEP in terms of furnishing the Joint Committee, operating the LEP Board and applying for, receiving, and managing various grant streams has been circa £1.1m for several years now. Savings have been enacted where possible; however, such opportunities are limited due to the need to retain a two-committee structure within the region. With increments and staff pay awards, the core costs for 2021/22 amount to £1.039m which are funded by:

- a core (LEP capacity) grant of £500k which is approved on a year by year basis and;
- match funding contributions from the four West of England unitary councils.

* Activities covered by the LEP have significantly expanded over the last 18 months due to successfully attracting numerous grants into the region. Despite this, we have retained the core staffing levels, and costs at a relatively steady state.

* WECA and the LEP continue to be successful in expanding our activities through attracting a number of new specific funding streams to the region. From a relatively low base in 2019/20 of £1.8m, specific grant funding of £5.7m was generated in 2020/21, and £4.9m for 2021/22 as detailed in Figure 2.

* Overall LEP grant funding that has been attracted is now £16m over the medium term financial period. We will continue to focus our attention on attracting further grant funding into the LEP, maintaining confidence that the income figures currently stated for 2022/23 and beyond, will significantly increase over the coming months.

* **Appendix 2** sets out the LEP (including Invest Bristol & Bath) forecast revenue out-turn for the 2020/21 financial year based on actual information as at the end of December 2020 which shows spend of £7m against an original budget of £6.6m. The difference of £0.4m is mainly due to the receipt and phasing of spend for government grants. Overall, there is a forecast net underspend of £104k which is due to a surplus in treasury management.

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on, or are addressed through, this report are as follows:

There is a potential impact on 2021/22 revenue budgets as activity is re-prioritised and focused on supporting economic recovery. Activity, and corresponding budgets, will be kept under regular review.

Recommendations

The Joint Committee is asked to:

- a. approve the LEP Budget for 2021/22 as set out in Appendix 1.
- b. approve a 2021/22 contribution of £110k per each West of England Unitary Authority (to be reviewed for 2022/23 onwards) as match funding to attract the government's LEP capacity funding.
- c. approve a £160k drawdown from the LEP general reserve to fund the shortfall in 2021/22 LEP operating costs;
- d. note the forecasted LEP revenue outturn for 2020/21 as set out in Appendix 2.

Contact officer: Malcolm Coe

Position: Director of Investment & Corporate Services

Email: Malcolm.Coe@westofengland-ca.gov.uk

29 January 2021

REPORT SUMMARY SHEET

LOCAL ENTERPRISE PARTNERSHIP ONE FRONT DOOR FUNDING PROGRAMME

Purpose

To consider changes to schemes within the current programme.

Summary

This report includes the following key information:

Appendix 1 sets out requested scheme changes in respect of the Local Growth Fund (LGF).

Appendix 2 sets out requested scheme changes in respect of the Economic Development Fund (EDF) and Revolving Infrastructure Fund (RIF).

Appendix 3 sets out the Business Case Assessment summary table for the Weston General Stores project. Weston General Stores was allocated £1.7m of Getting Building Fund through the application process to Government in Summer 2020. An Outline Business Case for this project has now been submitted by North Somerset Council seeking this funding towards the £1.765m project cost. This will see the refurbishment and repurposing of units within the Sovereign Centre, which is owned by North Somerset Council, to support the regeneration of the town centre through diversification of use and creating an attractive space for work, collaboration and creativity.

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

The Local Growth, Economic Development and Revolving Infrastructure Funds are focused on supporting economic growth and the delivery of the schemes within these programmes will positively contribute to the economic recovery.

Recommendations

The Joint Committee is asked to:

1. Approve the Outline Business Case for the Weston General Stores and, should there be urgency, delegate the approval of the Full Business Case to the WECA Chief Executive in consultation with the West of England Chief Executives.
2. To delegate the approval of an Outline Business Case for works in the vicinity of the M49 Junction to the WECA Chief Executive in consultation with the West of England Chief Executives

3. Approve the change requests for schemes within the LGF programme as set out in Appendix 1.
4. In advance of the next meeting of the Joint Committee, to delegate the following to the WECA Chief Executive in consultation with the West of England Chief Executives:
 - a) Approval of changes to funding profile and programme for schemes within the current LGF, GBF, EDF and RIF programmes
 - b) Approval of the reallocation of funding for schemes in the approved LGF/GBF programme including swops with the EDF, and exceptionally the Investment Fund.
5. Approve the change requests for schemes within the EDF and RIF programme set out in Appendix 2

Contact officer: Malcolm Coe

Position: Director of Investment & Corporate Services

Email: Malcolm.Coe@westofengland-ca.gov.uk

29 January 2021

REPORT SUMMARY SHEET

MAYORAL BUDGET SETTING REPORT 2021/22

Purpose

To consider and approve a budget for the West of England Combined Authority Mayoral functions for 2021/22.

Summary

This report includes the following key information:

- The proposed Mayoral budget for 2021/22 is set out at **Appendix 1**.
- The Mayoral Budget relates to those functions that fall under the specific responsibility of the Mayor in accordance with the West of England Combined Authority (WECA) Order 2017. For 2021/22, these functions primarily relate to the payment of Highways and Transport capital grants to the constituent councils.
- As required by the Combined Authorities (Finance) Order 2017, the Mayor must keep a fund, (to be known as the Mayor's General Fund), in relation to receipts arising, and liabilities incurred, in the exercise of the Mayor's general functions.
- Monitoring against the Mayoral budget is reported to each meeting of the WECA committee. The current forecasted outturn position for the 2020/21 financial year is detailed in **Appendix 2**.

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. There are no specific impacts relevant within this report.

Recommendations

The Combined Authority Committee is asked to:

- a) Approve the Mayoral Budget for 2021/22 together with the funding contribution from the WECA Budget of £0.645m as set out in Appendix 1.
- b) Agree the specific Highways and Transport Capital Grant allocations totalling £17.572m to the constituent councils for 2021/22 as set out in Appendix 1.
- c) Note the Mayoral Fund 2020/21 forecasted revenue outturn as detailed in Appendix 2.

Contact officer: Malcolm Coe

Position: Director of Investment & Corporate Services

Email: Malcolm.Coe@westofengland-ca.gov.uk

29 January 2021

REPORT SUMMARY SHEET

COMBINED AUTHORITY BUDGET 2021/22 AND MEDIUM TERM FINANCIAL FORECAST

Purpose

To consider and approve a revenue budget for the West of England Combined Authority for 2021/22.

Summary

This report includes the following key information:

- The proposed WECA budget for 2021/22 is set out at **Appendix 1**.
- Monitoring against the WECA budget is reported to each meeting of the WECA committee. The current forecasted outturn position for the 2020/21 financial year is detailed in **Appendix 2**.
- Treasury management returns continue to perform well with a projected surplus of £800k in 2020/21 but future returns will be challenging due to the historically low interest rates.
- WECA's revenue budget is made up of four main components, core revenue funding, specific grants, a transport levy for defined services and approved investment fund schemes. This report provides an updated Medium-Term profile, and financial outlook, across all of these areas.
- Certain element of WECA funding such as Mayoral Capacity fund, Housing Capacity Fund and 100% Business Rates retention (pilot) remain volatile and are only secure for 2021/22;
- A 2% uplift on the transport levy is recommended for 2021/22 bringing the total levy to £19.5m and a £2m recharge from North Somerset Council;
- A standard overhead rate of 36.4% per FTE will be applied in 2021/22 consistent with the rate approved by committee in January 2020;
- The WECA General Reserve is currently £1.2m which is 2.1% of the proposed WECA revenue budget of £56.7m for 2021/22

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relevant to this report are

- (a) There will be an impact on 2021/22 revenue budgets as core activity, and investment funding, is re-prioritised and re-focused on supporting ongoing economic recovery;

- (b) There is particular concern regarding the achievability of business rates growth targets which will directly impact on a proportion of WECA's core operating revenue through the 100% business rates retention pilot;
- (c) Concessionary fare payments to bus operators have been made in line with budgeted profile throughout 2020/21 to maintain continuity of service, along with contract payments for supported bus services and payments to community transport providers.
- (d) Payments to Adult Education providers have also been made in line with budgeted profile to maintain stability of the provider base.

Recommendations

The Combined Authority Committee is asked to:

1. Approve a Transport Levy to the constituent councils of **£19.5m** for 2021/22, with a recharge of £2m applied to North Somerset Council, as detailed in Figure 6.
2. Approve the allocation of £200k from the 2020/21 surplus Treasury Management income to the delivery of the ICT Programme of works.
3. Approve the surplus above 2021/22 base budget on Treasury Management income to be transferred to a treasury management reserve to cover the risk of capital losses, volatility of future income returns and lower interest rates payable in future years.
4. Approve the detailed WECA budget for 2021/22 as detailed in Appendix 1.
5. Note the WECA revenue outturn Position for 2020/21 as detailed in Appendix 2.

Contact officer: Malcolm Coe

Position: Director of Investment & Corporate Services

Email: Malcolm.Coe@westofengland-ca.gov.uk

29 January 2021

REPORT SUMMARY SHEET

CAPITAL STRATEGY INCLUDING TREASURY MANAGEMENT AND INVESTMENT STRATEGIES

Purpose

This report presents the Capital Strategy for the West of England Combined Authority including:

- The detailed capital budget for 2021/22, and indicative budget up to 2024/25.
- The Treasury Management Strategy for 2021/22.
- WECA Investment Strategy 2019 to 2023.

Summary

The capital strategy is a report which is instigated through the 2017 edition of the Prudential Code. The Code states that: *“the capital strategy is intended to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.”*

The areas covered by the capital strategy are as follows;

- Medium term capital expenditure and financing (Appendix 1).
- Investment strategy for non-treasury investments (Appendix 2).
- Treasury management including prudential indicators (Appendix 3).
- Liabilities, revenue implications of the capital programme, and knowledge and skills employed in delivering the strategy.

Impact of Covid-19 pandemic

The Combined Authority continues to actively review its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Further capital funding will be made available through central government over the next twelve months and the West of England will need to be proactive to ensure that a proportionate share is attracted to the region. Income returns from Treasury Management investment will remain challenging over the short to medium term due to the unprecedentedly low interest rates and market uncertainty throughout the Covid period.

Recommendations

The Combined Authority Committee is asked to:

- a) approve the Capital Budget as shown in Appendix 1.
- b) approve the Treasury Management Strategy for 2021/22 detailed in Appendix 3.
- c) note the WECA Investment Strategy as shown in Appendix 2.

Contact officer: Malcolm Coe

Position: Director of Investment & Corporate Services

Email: Malcolm.Coe@westofengland-ca.gov.uk

29 January 2021

REPORT SUMMARY SHEET

INVESTMENT FUND

Purpose

To seek approval for feasibility, development and delivery funding, and for change requests for schemes within the current approved programme

Summary

Proposals set out in this report include:

- Development funding applications for the 10 Year Rail Delivery Plan and North Fringe Public Infrastructure projects
- The Strategic Outline Business Case for the Winterbourne & Frampton Cotterell and Coalpit Heath & Westerleigh Bypasses
- The Outline Business Case for the Bottle Yard Studios – Hawkfield Business Park
- A funding allocation to match fund the Kingswood Future High Streets bid to Government
- The Full Business Case for Innovation for Renewal and Opportunity project

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- Paragraph 22-25 of the report sets out the proposed use of the £9.395m funding allocated to drive Covid-19 economic recovery.
- More generally, supporting clean and inclusive economic growth is a key driver for the Investment Fund and all the projects within the programme will make a positive contribution to assisting the economic recovery.
- WECA will continue to review the deliverability, and priority, of its investment programme in response to Covid-19. Further updates will be provided through each committee cycle.

Recommendations

Members of the Combined Authority Committee are asked:

1. To approve the Feasibility and Development Funding Application for the 10 Year Rail Delivery Plan and award of £470k
2. To approve the Strategic Outline Business Case for the Winterbourne & Frampton Cotterell and Coalpit Heath & Westerleigh Bypasses
3. To note the submission of the DfT E-Cycles Extension Fund Bid
4. To approve the Feasibility and Development Funding Application for the North Fringe Public Infrastructure Package and award of £350k.
5. To delegate the approval of Outline Business Cases through the Development Infrastructure Fund that come forward in advance of the next meeting of the WECA Committee to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils, subject to fit with the agreed criteria and headroom being available.
6. To approve the Outline Business Case for Bottle Yard Studios – Hawkfield Business Park subject to the completion of a Monitoring and Evaluation Plan with the award of £135k to develop the Full Business Case and an allocation of a further £11.73m
7. To allocate up to £7.56m to Kingswood High Street subject to the award of funding through the Future High Streets programme with the approval of funding delegated to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils.
8. To approve the Full Business Case for the Innovation for Renewal and Opportunity project and award of £5.716m and to delegate grant giving to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils.
9. To delegate the approval of the use of the £1m Innovation for Renewal and Opportunity influence fund, to support specific innovation projects which align with the project objectives and outcomes, to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils.
10. To approve the change requests for schemes within the current programme as set out in Appendix 2.
11. In advance of the next meeting of the WECA Committee, to delegate the approval of changes to funding profile and programme for approved schemes to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils.
12. To amend the approved capital programme for individual project approvals agreed at the December Committee and within this report.

Contact officer: Malcolm Coe

Position: Director of Investment & Corporate Services

Email: Malcolm.Coe@westofengland-ca.gov.uk

29 January 2021

REPORT SUMMARY SHEET

BUS NETWORK RECOVERY

Purpose

- 1 To update the Committee on recovery from the coronavirus emergency;
- 2 To explain possible funding models under consideration by Government; and
- 3 To seek delegated authority to make urgent decisions between Committee meetings.

Summary

This report includes the following key information:

- Demand for bus services is not expected to return to 100% of pre-Covid levels in the short to medium term owing to permanent changes in lifestyles.
- Government is providing emergency funding to bus operators to cover the shortfall between revenue and operating costs.
- Government is considering devolution of that emergency funding to WECA as the first step in a transition to a formal Enhanced Partnership with local bus operators.
- A number of local bus contracts expire this year and it will be necessary to carry out a procurement process to replace them.
- Delegated authority is being sought in certain areas to enable timely decisions to be made.

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- Maintenance of a comprehensive network of local bus services and modification of it in line with the adopted Bus Strategy will contribute positively to economic recovery and growth, assist residents in seeking employment and support the principles of clean and inclusive growth

Recommendations

The Combined Authority Committee is asked to approve:

1. That a procurement process be initiated for new local bus service contracts to replace those expiring in August 2021.

2. That authority be delegated to the Head of Strategic Transport Integration, in consultation with Members of the Transport Board, to award new local bus service contracts to replace those expiring in August 2021.
3. That authority be delegated to the WECA Chief Executive, in consultation with the Chief Executives of the constituent councils, to agree to take on devolved emergency funding to support local bus services and associated powers should a suitable offer be made by Government.

Contact officer: Peter Mann

Position: Head of Strategic Transport Integration

Email: Peter.Mann@westofengland-ca.gov.uk

29 January 2021

REPORT SUMMARY SHEET

TRANSPORT DECARBONISATION STUDY

Purpose

To seek approval to undertake a study to develop the evidence base for producing a transport decarbonisation Issues and Options paper, and to recommend the necessary delegations to support this work.

Summary

* The WECA Climate Emergency Action Plan (CEAP) sets a target to be carbon neutral by 2030. For transport, the CEAP sets out aims to reduce the number of car trips, increase the uptake of low carbon vehicles, increase active travel and the uptake of public transport. These are drawn from the Joint Local Transport Plan 4 (JLTP4) adopted in March 2020.

* There is, however, an evidence gap as to what measures are required and when, in order to achieve carbon neutrality in the region by 2030. To resolve this, it is proposed to undertake a decarbonisation study.

* The proposed study is intended to provide a strong steer for producing a transport decarbonisation Issues and Options paper. It will assist in setting out a route map and in clarifying the required strategic interventions.

* It is envisaged that the study will generate a set of options, each with a proportionate contribution towards the overall 2030 commitment, so that packages of options and their combined impacts can be considered. This will provide the evidence base for decision making on which strategic interventions to progress and take forward to design, consultation and delivery. A list of potential strategic interventions is set out in Appendix One.

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- Transport infrastructure and services play a key role in regenerating economies through job creation during construction and permanently, post scheme opening. Better transport connectivity connects communities with educational and employment opportunities.

- Investments in sustainable transport will significantly reduce carbon dioxide emissions from transport, and its contribution to air pollution, while providing access to efficient and sustainable transport for all.

Recommendations

The Combined Authority Committee is asked to:

1. Approve the proposal to undertake a transport decarbonisation study.
2. Delegate authority to the WECA Director of Infrastructure in conjunction with Unitary Authority Infrastructure Directors to agree the final scope and commissioning of the transport decarbonisation study.

Contact officer: David Carter

Position: Director of Infrastructure

Email: David.Carter@westofengland-ca.gov.uk

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ITEM 8

REPORT TO: WECA OVERVIEW AND SCRUTINY COMMITTEE

DATE: 27 JANUARY 2021

REPORT TITLE: CITY DEAL BUSINESS RATES POOLING UPDATE

DIRECTOR: MALCOLM COE, DIRECTOR OF INVESTMENT AND CORPORATE SERVICES

AUTHOR: MALCOLM COE

Purpose of Report

- 1 This report provides a summary of the West of England's Business Rates Pool estimated balances and transactions for 2020-21, in accordance with the monitoring requirements of the Business Rates Pooling Principles Agreement. It also summarises the 2020-21 estimated growth performance

Recommendation

That the Committee note the update and current performance of the West of England Business Rate Pooling arrangements.

Background / Issues for Consideration

- 2 The West of England City Deal arrangement was agreed with government in 2012. The Deal, which includes North Somerset Council, enables the region to retain local financial flexibility and freedoms in exchange for a focussed programme of investment to deliver economic growth.
 - 2.1 The City Deal enables the region to retain 100% business rates growth within designated Enterprise Areas over a 25 year period which commenced in April 2014. There is a requirement to 'pool' and report on the overall growth across all of the areas.
 - 2.2 The pooling agreement distributes business rates growth income on a three tier basis as follows:
 - Tier 1 – reimburses each Unitary Authority based on the income that they would normally receive under the current national 50% business rates retention scheme;
 - Tier 2 – aims to generate £500m of business rates growth, above the approved 2013 baseline, over a 25 year period to reinvest in priority regional economic growth projects;

- Tier 3 – distributes any surplus growth, (above the £500m), back to the Unitary Authority, on an apportioned basis, to fund any demographic pressures that exist as a result of economic growth
- 2.3 Performance against the West of England Business Rates City Deal pooling is monitored through a 'Pooling Board' made up of all relevant Section 151 Officers and Unitary Authority technical officers. Updates are reported annually through the WECA Overview and Scrutiny Committee.
- 2.4 Economic growth over the last 12 months, due to the Covid pandemic, has been challenging. Quarter 1 forecasts were particularly low with some improvement made over the Quarter 2 period. **Appendix 1** details the Quarter 2 monitoring report that was presented to the WoE Business Rates Pooling Board in December 2020.
- 2.5 In summary, 2020/21 growth, as at quarter 2, is estimated as being £27.090m against a budget of £28.429m for the year. The overall performance of the West of England business rates pooling remains positive with sufficient growth forecast, (above baseline), to meet tier 1 and tier 2 commitments.

Consultation

- 3 A West of England Business Rates Pooling Board governs the performance, reporting and allocation of the City Deal forecasted business rates growth. The Board includes the Section 151 Officers, and relevant technical officers, of all of the four regional Unitary Authorities and WECA Section 73 Officer. An update on the performance of the pool is presented to each quarterly Board meeting with an annual update presented to the Overview and Scrutiny committee.

Risk Management/Assessment (complete as appropriate)

- 4 A risk register is regularly reviewed and maintained by the Business Rates Pooling Board. The key risks relate to (a) the potential for any changes in national business rates retention negatively impacting on the West of England City Deal arrangements and (b) our ability to achieve medium and long term business rates growth forecasts in the light of the Covid pandemic

Public Sector Equality Duties (complete as appropriate)

- 6 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
- 6.1 The Act explains that having due regard for advancing equality involves:
- Removing or minimising disadvantages suffered by people due to their protected

characteristics.

- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

6.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.

6.3 There are no direct equalities implications relevant to this report.

Climate Change Implications

7 On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- * The emission of climate changing gases?
- * The region's resilience to the effects of climate change?
- * Consumption of non-renewable resources?
- * Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/consideration as necessary as part of their detailed project-specific management arrangements

7.1 Individual projects delivered through the Economic Development Fund (as part of the City Deal) will consider climate issues within their assessment criteria.

Finance Implications, including economic impact assessment where appropriate:

8. The 2014 City Deal agreement for the West of England ensures that each Unitary Authority receives an equivalent proportion of business rates income as they would under the national business rates arrangements. The £500m Economic Development Fund is based on anticipated growth, (over 25 years), beyond the Unitary Authority base level which can be reinvested in regional priority economic growth projects.

Advice given by: Malcolm Coe, Director of Investment and Corporate Services

Legal Implications:

There are no legal implications arising as a direct result of this report.

Advice given by: Shahzia Daya, Director of Legal

Appendices:

Appendix 1: Report on (WoE Business Rates) 2020/21 Pool Activity based on Quarter 2

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird on 07436 600313; or by email:

democratic.services@westofengland-ca.gov.uk

APPENDIX 1 BUSINESS RATES POOLING BOARD

Report of Pool Activities 2020-21 - Quarter 2 Estimate

1.0 Purpose

1.1 This report provides a summary of the Pool's estimated balances and transactions for 2020-21, in accordance with the monitoring requirements of the Business Rates Pooling Principles Agreement. It also summarises the 2020-21 estimated growth performance.

2.0 Background

2.1 Clause 11.2 of the Business Rates Pooling Principles Agreement requires the Accountable Body to provide quarterly update reports to the Board to include a summary of balances held, and a reconciliation of the Business Rates collected by, and distributed to, each UA.

2.2 These in-year figures reflect the original City Region Deal Designated Areas (EDF1), and also include the additional EZs for BANES and BCC (EDF2) in the growth performance in Section 4, however these are not included in the Pool balance in Section 3 below. The Board has stated that EDF2 will operate consistently with the remainder of the Pool, and therefore the new EZs will be fully incorporated into the growth model once information becomes available and the model can be developed as agreed.

3.0 Business Rates Pool Financial Summary Quarter 2 2020-21

3.1 The Business Rates Pool activities and Pool balance estimated at quarter 2 are provided below, analysed by UA. The table provides an estimate of the cash which will be received by the Pool, and of payments which will be made from the Pool.

3.2 The cumulative Pool balance is forecast to grow during the year by from £41.030m to £48.834m (an increase of £7.804m) as a result of transactions to and from the Pool attributable to EDF1 activities. Of the closing balance £2.296m is currently uncommitted, and expected to be held as contingency.

3.3 Within the 2020-21 accounts, the Pool is anticipated to distribute £6.418m of in-year Tier 2 funds to sponsor UAs, based on the current approved EDF profile (refreshed November 2020). Note that any amount in respect of future years' payments is only indicative, subject to cash being held, and the overall level and profile of approved and completed schemes.

Quarter 2 Estimated Outturn - EDF1	B&NES £'000	BCC £'000	NSC £'000	SGC £'000	Combined £'000
Funds held by BRP at 1 April	1,478	10,511	4,484	24,557	41,030
made up of:					
- Uncommitted cash - Tier 2	1,322	9,327	4,037	21,547	36,233
- Uncommitted cash - Contingency	52	451	130	1,316	1,949
- Committed cash	104	733	317	1,694	2,848
Growth figure paid into BRP in year	241	6,590	1,998	17,667	26,497
Less Paid out by BRP in year	275	5,189	1,713	11,516	18,694
made up of:					
- Tier 1 no worse off	87	3,161	986	5,159	9,392
- BRP Management Fee	13	13	13	13	50
- EDF Management Fee	19	19	19	19	75
- Tier 2 EDF funding	136	1,438	532	4,312	6,418
- Tier 3 service pressures	21	560	164	2,014	2,759
Unallocated Funds held by BRP at 31 March	1,444	11,912	4,770	30,708	48,834
made up of:					
- Uncommitted cash - Tier 2 EDF funding	0	0	0	0	0
- Uncommitted cash - Contingency	50	507	129	1,610	2,296
- Committed cash not yet allocated	1,395	11,405	4,640	29,098	46,538

4.0 Retained Business Rates Growth Performance Quarter 2 2020-21

4.1 The latest 2020-21 growth performance is shown below by Enterprise Area/Zone (including EDF2). As this table excludes interest, but includes the new EZs, the estimated growth differs from the amount reported in the table in section 3. (In-year and longer term interest forecasts are due to be refreshed in the growth model, in the light of the reduced national base rate).

Note that in the table below any growth has been grossed up to remove the effect of additional Business Rates reliefs for Covid-19, for which the individual authorities will be compensated through S31 grants. No such adjustment has been made to quarter 1 forecasts.

Growth Performance by Enterprise Area/Zone and UA

Enterprise Area/Zone and UA	2020-21 Estimated Growth (NDR1)	2020-21 Estimated Growth at Q2	2020-21 Change since NDR1	2020/21 Change since Q1
	£'000	£'000	£'000	£'000
Bristol Temple Quarter EZ	2,875	1,257	-1,618	757
Bristol Filton EA	51	52	1	52
Bristol Avonmouth EA	5,329	5,282	-47	160
Total Bristol UA (EZ & EA)	8,255	6,590	-1,665	1,075
Bath City Riverside EA/EZ	131	241	110	241
North Somerset Junction 21 EA (includes adjustment income re Port Cumulo)	2,050	1,998	-52	448
SGC Severnside EA	10,865	10,687	-178	-140
SGC Emersons Green EA	1,192	1,356	164	87
SGC Filton EA	4,966	5,471	505	1,488
Total SGC EA	17,023	17,513	490	1,434
TOTAL EDF1	27,460	26,343	-1,117	3,199
Bristol Temple Quarter Extension EZ	969	747	-222	599
Bath & Somer Valley EZ	-	-	-	-
TOTAL EDF2	969	747	-222	599
TOTAL EDF1 & EDF2	28,429	27,090	-1,339	3,798

4.2 EDF1 is now expected to see growth above baseline of £26.343m in 2020-21, and a further £0.747m growth is forecast for EDF2, less than our initial estimates by £1.117m and £0.222m respectively.

The main movements are explained as follows:

BCC – Adverse variance in TQEZ is attributable to two factors, being (1) a reduction in Gross Rates Payable by Nat West at Phases 1 & 2 Trinity Quay, with significant backdated impacts (-£1.7m), and (2) a reduction in Net Rates Payable attributable to an increase in Empty Property Exemption (-£0.3m).

BANES – A favourable variance attributable growth in gross Rates Payable, tempered by some increase in anticipated losses in respect of uncollectable debts and on appeals.

NSC – A small (3%) adverse variance.

SGC – A small (3%) favourable variance overall, but concentrated in Filton, and not seen in Severnside.

4.3 In line with Government recommendations, all four authorities continue to provide for appeals at 4.7% of net rates payable (less any refunds paid). Recent months have seen an acceleration in the numbers of Checks and Challenges being processed and settled by the VOA. However, Central Government confirmed in July that the next revaluation would now not take effect until April 2023 (being based on property values at April 2021 to better reflect impacts of Covid-19). Therefore, Checks and Challenges will continue to be lodged during 2020-21, which may result in provisions increasing further at the year-end.

4.4 The HM Treasury fundamental review of the business rates system will report in spring 2021. It is still unclear whether a full business rates baseline reset will take place in April 2022. However, it is anticipated that a delayed reset point will be incorporated into our local growth model for the calculation of Tier 1 shares, although the uncertain details of the future national scheme and the longer term impacts of Covid-19 continue to make long term modelling more challenging. The Finance Working Group will continue to monitor and assess the impact of the national BRR landscape.

5.0 Summary

5.1 The 2020-21 estimated outturn balance of the EDF1 pool is £48.834m, including interest on the cash balances.

5.2. It is estimated that Tier 2 expenditure of £6.418 will be distributed to sponsor UAs by the end of 2020-21, based on the information available at quarter 2, and based on a refresh of the EDF Financial Model from November 2020.

5.3 Estimated growth above baseline for EDF1 is £26.343m, being £1.117m less than our initial estimate. For EDF2 (TQEZ Extension), estimated growth above baseline is £0.747m, being £0.222m less than our initial estimate.

6.0 Recommendations

6.1 It is requested that the Business Rates Pooling Board:

- Formally note the Business Rates Pool transactions and available balance for the 2020-21, as estimated at quarter 2.
- Note the quarter 2 estimate of growth performance by EA/EZ for 2020-21.

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