

# Public Document Pack

A meeting of the  
**West of England Joint Committee**

will be held on

**Date:** Friday, 6 October 2023

**Time:** 3.00 pm, or on the rising of the West of England Combined Authority Committee

**Place:** The Space, Keynsham

Notice of this meeting is given to members of the West of England Joint Committee as follows

Cllr Mike Bell, North Somerset Council  
Cllr Kevin Guy, Bath & North East Somerset Council  
Mayor Marvin Rees, Bristol City Council  
Cllr Claire Young, South Gloucestershire Council

Nominated deputies are as follows:

Bath & North East Somerset Council: Cllr Sarah Warren and Cllr Manda Rigby  
South Gloucestershire Council: Cllr Ian Boulton and Cllr Chris Willmore  
Bristol City Council: Cllr Craig Cheney & Cllr Kye Dudd  
North Somerset Council: Cllr Catherine Gibbons & Cllr Mark Canniford

**Enquiries to:**

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# Joint Committee Agenda

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- Inspect agendas and public reports five days before the date of the meeting
- Inspect agendas, reports and minutes of the Authority and all Authority Committees and Sub-Committees for up to six years following a meeting.
- Inspect background papers used to prepare public reports for a period public reports for a period of up to four years from the date of the meeting. (A list of background papers to a report is given at the end of each report.) A background paper is a document on which the officer has relied in writing the report.
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To comply with the Data Protection Act 2018, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator.

## **1. MEMBERSHIP & APOLOGIES FOR ABSENCE**

To note the Joint Committee's membership and to receive apologies for absence from Members.

## **2. DECLARATIONS OF INTEREST UNDER THE LOCALISM ACT 2011**

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 non-pecuniary 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.

## **3. MINUTES**

5 - 10

To consider and approve the minutes from 16 June 2023 of West of England Joint Committee Meeting.

## **4. CHAIR ANNOUNCEMENTS**

To receive announcements from the Chair of the West of England Joint Committee.

## **5. ITEMS FROM THE PUBLIC (QUESTIONS, STATEMENTS & PETITIONS)**

### **WRITTEN PUBLIC QUESTIONS (written procedure)**

1. Any member of the public can submit a maximum of two written questions in advance of this meeting.
2. The deadline for the submission of questions is 5.00 pm, at least 3 clear working days ahead of a meeting. For this meeting, the deadline for questions is 5.00 pm on Monday 2 October 2023.
3. Questions should be addressed to the Chair of the meeting and e-mailed to [democratic.services@westofengland-ca.gov.uk](mailto: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 the Combined Authority's committee procedures, there is no opportunity for oral supplementary questions to be asked at committee meetings.
6. The written questions and replies will be circulated to committee members in advance of the meeting and published on the Combined Authority website.

### **PUBLIC STATEMENTS**

1. Any member of the public may submit a written statement (or petition) to this 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 this meeting, the deadline for statements is 12 noon on Thursday 5 October 2023. Statements should be emailed to [democratic.services@westofengland-ca.gov.uk](mailto: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 Combined Authority website.

**Please note:**

If any member of the public wishes to attend the meeting to orally present their statement, they are asked please to notify the Combined Authority's Democratic Services team of this at the point when their statement is submitted and by 12 noon on the working day before the meeting at the very latest.

For those presenting their statements at the meeting, up to 3 minutes 'speaking time' is permitted for each statement. The total time available for the public session at this meeting is 30 minutes

**6. COMMENTS FROM CHAIR OF LOCAL ENTERPRISE PARTNERSHIP**

The Chair of the West of England Local Enterprise Partnership to be invited to address the meeting.

**7. COMMENTS FROM THE CHAIR OF THE WEST OF ENGLAND COMBINED AUTHORITY'S OVERVIEW & SCRUTINY COMMITTEE**

The Chair of the Authority's Overview and Scrutiny Committee to present the comments of that Committee.

**8. COMMENTS FROM THE CHAIR OF THE WEST OF ENGLAND COMBINED AUTHORITY'S AUDIT COMMITTEE**

The Chair of the Authority's Audit Committee to present the comments of that Committee.

**9. INVEST BRISTOL & BATH REVIEW**

11 - 38

To present the outcome of the mid-term review of the West of England Inward Investment Service 'Invest Bristol and Bath', setting out the findings and the consultants recommendations and the planned next steps

**10. LEP AND IBB FORECAST AND CHANGE REQUESTS**

39 - 56

This report represents the forecasted revenue and capital to the West of England Joint Committee for the financial year 2023/24 based on data from the period April to July 2023. The report covers the Local Enterprise Partnership (LEP) and Invest Bristol and Bath (IBB) revenue budgets. Change request approvals are also included as part of this reporting process.

**Next meeting: 26 January 2024**

**DRAFT**  
**Minutes of the**  
**West of England Joint Committee**  
**Annual General Meeting, Friday, 16**  
**June 2023**

Members:

Cllr Claire Young, South Gloucestershire Council

<p><b>1</b></p>	<p><b>MEMBERSHIP &amp; APOLOGIES FOR ABSENCE</b></p> <p>The Membership of the Joint Committee for 2023/24 was confirmed as follows:</p> <p>South Gloucestershire Council: Cllr Claire Young  Bristol City Council: Mayor Marvin Rees  Bath &amp; North East Somerset Council: Cllr Kevin Guy  North Somerset Council: Cllr Mike Bell</p> <p>The following apologies had been received: Cllr Mike Bell (North Somerset Council). Cllr Mark Canniford attended as substitute.</p> <p>Cllr Kevin Guy (Bath &amp; North East Somerset Council). Cllr Sarah Warren attended as substitute.</p> <p>Mayor Marvin Rees (Bristol City Council). Cllr Kye Dudd attended as substitute.</p>
<p><b>2</b></p>	<p><b>DECLARATIONS OF INTEREST UNDER THE LOCALISM ACT 2011</b></p> <p>No declarations of interest were declared under the Localism Act 2011.</p>
<p><b>3</b></p>	<p><b>ANNUAL BUSINESS REPORT</b></p> <p>The meeting opened with the Monitoring Officer in the Chair who presided over the election of the Chair.</p> <p>Cllr Mike Bell was elected as the Chair of the Joint Committee for Municipal year 2023/24. Cllr Claire Young was elected as Vice-Chair of the Joint Committee for Municipal Year 2023/24.</p> <p>[Councillor Claire Young was in the Chair for the remainder of the meeting].</p> <p>Cllr Young welcomed new members to the meeting and those present introduced themselves.</p> <p>The Committee was requested to agree the recommendations set out in the annual business report including constitute the Joint Committee for the forthcoming Municipal Year 2023-24.</p> <p>The Joint Committee had been established to deal with any relevant functions that fell outside those set out in the West of England Combined Authority Order 2017; in particular the West of England Joint Spatial Plan and Joint Transport Plan, the receipt of any relevant recommendations from the Local Enterprise Partnership Business Board and any other relevant legacy matters that involve the West of England Combined Authority area and the area of North Somerset Council. The membership is the Constituent Councils of the West of England and North Somerset Council.</p> <p>[Voting Arrangements: Decisions on the appointment of Chair and Vice-chair are by simple majority of members present and voting].</p> <p>The recommendations were moved by Cllr Claire Young and seconded by Cllr Sarah</p>

	<p>Warren and unanimously</p> <p>Resolved:</p> <ol style="list-style-type: none"> <li>1. That the Chair of the Joint Committee for municipal year 2023/24 be Cllr Mike Bell;</li> <li>2. That the Vice-Chair of the Joint Committee for municipal year 2023/24 be Cllr Claire Young;</li> <li>3. That the Joint Committee's membership as shown on the agenda sheet be noted;</li> <li>4. That the Joint Committee's terms of reference as set out in the constitution at page A7 <a href="#">ConstitutionAmendedApr2023.pdf (moderngov.co.uk)</a> be endorsed.</li> </ol>
<b>4</b>	<p><b>CHAIR ANNOUNCEMENTS</b></p> <p>There were no announcements from the Chair.</p>
<b>5</b>	<p><b>MINUTES</b></p> <p>The minutes of the meeting held on 27 January 2023 were agreed as a correct record and signed by the Chair.</p>
<b>6</b>	<p><b>ITEMS FROM THE PUBLIC (QUESTIONS, STATEMENTS AND PETITIONS)</b></p> <p>Three questions had been submitted for this meeting from two individuals. Responses to these questions had been circulated and published on the Authority's website.</p> <p>In addition, six statements had been received. These statements had been circulated and published on the Authority's website. The following individuals addressed the meeting for up to three minutes each on the topic of their statement:</p> <ul style="list-style-type: none"> <li>• Dave Redgewell</li> <li>• Robbie Bentley (on behalf of Brendan Taylor)</li> <li>• Robbie Bentley</li> <li>• Dave Redgewell (on behalf of Jevon Smith)</li> <li>•</li> </ul>
<b>7</b>	<p><b>COMMENTS FROM THE CHAIR OF LOCAL ENTERPRISE PARTNERSHIP</b></p> <p>The Chair of the West of England Local Enterprise Partnership Board (LEP), Richard Bonner, was invited to comment on the items for consideration. His comments are set out below:</p>

**EP & IBB Outturn 2022/23**

- In a similar vein to the main Combined Authority outturn - It is vital that we continue to recognise that the West of England Combined Authority is changing and growing into an organisation set up to deliver the significant programme of work ahead that will provide vital benefits for the economy, and ultimately the West of England residents and businesses.
- It is central to note that the LEP Capacity Core Grant was reduced during the Financial Year to £375k from £500k and a further reduction has been announced for 2023/24 at £250k.
- The LEP Board continues to be supportive and is keen to increase its engagement to provide a positive impact to the Combined Authority's reputation with government, business, and residents.

**8 LEP & IBB OUTTURN 2022/23**

The Chair introduced a report which set out the revenue and capital outturn to the West of England Joint Committee for the financial year 2022/23 based on data from the period April 2022 to March 2023. The report covers the Local Enterprise Partnership (LEP) and Invest Bristol and Bath (IBB) revenue budgets. Change request approvals were also included as part of this reporting process.

The Outturn was a balanced year end position taking into account the previously agreed committee decision to drawdown from the reserves to cover the shortfall in year as a result of the reduced LEP Core Capacity Grant.

[Voting Arrangements:

Item 1:                   None required – Recommendations are for noting purposes.

Item 2:                   Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor.]

The recommendations were moved by Cllr Claire Young and seconded by Cllr Sarah Warren.

It was unanimously

**Resolved:**

1. That the following be noted:
  - the Revised Analysis of LEP External Grants as at the end of March 2023 as set out in Figure 1;
  - The LEP Revenue Outturn as set out in Appendix 1;
  - The LEP Capital Outturn as set out in Appendix 2;
2. That the change requests for schemes in the Local Growth and Getting Building Fund programmes as set out in Appendix 3 be approved;
3. That the change requests for schemes in the Economic Development Fund and Revolving Infrastructure Fund programmes as set out in Appendix 4 be approved.



	<b>Signed:</b>
	<b>Date:</b>

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**REPORT TO: WEST OF ENGLAND JOINT COMMITTEE**

**DATE: 06 OCTOBER 2023**

**REPORT TITLE: INVEST BRISTOL AND BATH REVIEW**

**DIRECTOR: STEPHEN BASHFORD (DIRECTOR OF BUSINESS AND SKILLS)**

**AUTHOR: ANTONY MERRITT (HEAD OF ENTERPRISE, INWARD INVESTMENT & TRADE)**

## **Purpose of Report**

- 1 To present Joint Committee with the outcome of the mid-term review of the West of England Inward Investment Service 'Invest Bristol and Bath', setting out the findings and consultants proposed recommendations.
- 2 For Joint Committee to agree the planned next steps.

## **Recommendation**

- 3 **Recommendation 1:** Consider the findings of the Gateley mid-term IBB service review discussed in this report and outlined in the Executive Summary attached as appendix 1.
- 4 **Recommendation 2:** Agree the proposed short-term high-level plan through to the end of the current funding ending March 2025 as summarised in the proposal section below and attached as appendix 2. Detailed delivery activity will be worked on between the Head of Enterprise, Investment and Trade at the Mayoral Combined Authority (MCA) and the Unitary Authority (UA) Economic Development Managers and reported to the Business and Skills Directors and Chief Executive Officers.
- 5 **Recommendation 3:** Agree the planned approach to developing a model for future delivery as summarised in the proposal section below and recognising the long-term recommendations set out in appendix 2. This will consider evidence set out in the mid-term review and draw on other factors such as the emerging regional strategy and on UA strategic ambition. The outcome of this work will be a business case for inward investment activity in the region from April 2025 to 2030. This work will deliver a business case to Committee for decision by mid-2024.

## Reasons for recommendation

- 6 As part of the 5-year funding agreement put in place in 2020, Invest Bristol and Bath (IBB) was required to undertake a mid-term performance review to assure continued effectiveness and good value for money. Additionally, it is recognised that the economic landscape has shifted in recent years with Brexit, the pandemic and cost of living crisis. This review also considered the impact of these challenges and how the service has responded.
- 7 Evidence from the review will also contribute to the future business case and model for a regional inward investment service from April 2025 when the current funding cycle ends.
- 8 The service is currently funded from the West of England Revolving Infrastructure Fund (RIF). This fund is governed by the West of England Joint Committee and the Mayoral Combined Authority is the accountable body. Gateley Global were appointed as external consultants to undertake the independent review.

## Voting arrangements

- 9 Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority)

## Key Findings of the Gateley review

- 10 The service is exceeding its targets for investment wins and jobs created by 222% and 98% respectively accelerating its performance in the last three years during a challenging period. It has helped create 11,254 new jobs across 228 investment project successes. However, the service has only increased its wins and jobs targets by 14% and 26% since its start in 2015 which suggests the targets may not have been challenging enough.
- 11 Service user, stakeholder, and Unitary Authority (UA) feedback highlighted the professionalism of the core service team. The Bristol Property Agents Association (BPAA) described the service personnel as the most effective in 35 years. Survey responses from investment wins, stakeholders and the Department for Business and Trade (DBT) indicate the service is perceived to perform well against competitors. The service has built strong collaborative relationships with industry stakeholders.
- 12 However, the UAs provided feedback that they would like to receive more value from the service. UA concerns included:
  - More value for money required from the level of inward investment where impact is currently low.
  - Service objectives need to be more aligned with regional sector strengths focus, inclusive growth and Net Zero.
  - Increase local supply chain knowledge and encompasses all parts of the region's strengths.

- Better communication required between the Mayoral Combined Authority and UAs at a strategic governance level and improve working practices.
  - More opportunity to influence sector campaigns and improved monitoring of results needed.
  - Ensuring funding is allocated to maximising additionality from inward investment.
  - Better communication of narrative, USPs and successes via networks and media channels.
- 13 The service has not fully implemented the original full business case proposal for an Advisory Panel to assess and approve quarterly reports; UA partnership working MoUs; and a Risk Register. This needs to be addressed to comply with programme management best practice. Inward investment impact data gaps identified included: GVA, local hires, employment of residents from disadvantaged communities, capital expenditure, R&D and Net Zero related investment.

Evidence to support a business case for the service from April 2025-2030:

- 14 Gateley recommend the service continue to be delivered via a regional model under a post 2025 inward investment plan with greater stakeholder involvement based on the following research findings:
- **Economies of scale:** The regional model enables the four UAs to pool resources to compete effectively against other inward investment services providing DBT with a single point of contact.
  - **Positive client feedback:** Investment Wins survey respondents scored the service 4.41 out of 5 score in their likelihood of recommending the service. The service was viewed as competitive.
  - **Positive stakeholder feedback:** Stakeholder respondents scored the quality of the service compared to other service at 4.56 out of 5. DBT provided feedback that collaboration and sector expertise is best practice. BPAA described the team as the most effective in 35 years.
  - **High performance results:** The service helped the creation of 11,254 new jobs exceeding targets for jobs created by 98% and investment wins by 222% (228 wins). 76.6% of employees recruited by Investment Wins survey respondents were local hires.
  - **Benchmarking research:** The regional model is a tried and tested model used by key competitors with higher FDI levels (Cambridgeshire and Peterborough, Greater Manchester, Leeds City Region and the West Midlands) that are leveraging the support of the private sector.

Key recommendations in the Gateley review

- 15 Following a desktop review of the service and considering stakeholder and customer feedback carried out over a series of surveys and interview, Gateley have provided a suite of 54 strategic and operations recommendations. The full list of recommendations and the evidence as to

why they have been suggested are detailed in the Gateley executive summary attached at appendix 1.

- 16 The 54 detailed and extensive recommendations proposed by Gateley in appendix 1 provide both short-term interventions to enhance the existing service through to March 2025, and for building on this service delivery success from April 2025 to March 2030.
- 17 The recommendations set out in the Gateley review document (appendix 1) can be broadly interpreted and summarised in this report as follows:
- Align plans and objectives with national, regional, and local strategy.
  - Develop an Inward Investment plan for the future of the service post 2025.
  - Improve assessment, performance, value and financial benefits of the service, and perceptions of service delivery standards.
  - Raise the profile of the region and improve perceptions of the region as an inward investment destination.
  - Consider service impact related to Enterprise Areas and Enterprise Zones, leverage Centres of Excellence.
  - Improve planning and communications around sector based campaigns.
  - Consider further the strengths and challenges of partnership working with the UAs.
  - Improve governance, monitoring, evaluation and quality assurance.
  - Develop comparisons with other regional inward investment services.

Proposal / solution

- 18 Using the mid-term review evidence and recommendations, the Mayoral Combined Authority and UAs have jointly been through an initial process of prioritising, ruling out some recommendations (with rationale as to why), and developing a short-term improvement plan. This plan may be further co-developed by the Head of Enterprise, Inward Investment and Trade at the Mayoral Combined Authority and the UAs Economic Development Officers and will be ratified by the Business and Skills Directors Group before coming back to CEOs for final agreement.
- 19 To start the process the recommendations have been consolidated into a series of five core themes. This focuses on enhancements and improvements to the current service through to March 2025. How these five themes refer to the Gateley review recommendations is detailed in appendix 2.

	Themes
1	Review and confirm governance arrangements and ensure strategic leadership is in place.
2	Develop a communication strategy and campaign activity to showcase our offer to a global audience and to promote successes to stakeholders

3	Review and co-design campaign and activity plan for the remaining 18 months aligns to Mayoral Combined Authority and council policy drivers (to include local council specific delivery programmes, but recognising there is currently limited resource within the councils).
4	Review how we measure success: <ul style="list-style-type: none"> <li>- campaigns activity</li> <li>- account management</li> <li>- jobs and outcomes for local people.</li> </ul>
5	Review, enhance and modify internal working processes.

- 20 The second phase is to develop a long-term plan over the coming 12 months in the form of a business case for delivering inward investment and international activity across the region beyond March 2025. This will again reflect the evidence and feedback in the mid-term review, and the longer-term strategic recommendations set out in the review.

### Consultation

- 21 The Mayoral Combined Authority commissioned Gateley Global to deliver a Mid-term Review of the Invest Bristol and Bath service (2020-23) as part of its 5-year funding agreement put in place in 2019. This research was undertaken between the 15th March and 15th June 2023. The conclusions and recommendations are based on findings from: 24 stakeholder interviews, documentary and quantitative analysis, 6 surveys, 2 workshops, and benchmarking research.
- 22 Economic Development Managers (EDMs) from the West of England local councils have collectively reviewed the Gateley report with the Mayoral Combined Authority and contributed to feedback to Gateley on the draft review and have contributed to this report.
- 23 CEOs considered the Gateley review, its findings, and the proposed action plan on the 27th of July.
- 24 Business and Skills Board considered the Gateley review, its findings, and the proposed action plan on the 7th of September.
- 25 The Local Enterprise Partnership considered the Gateley review, its findings and the proposed action plan on the 29th of September.

### Public Sector Equality Duties

- 26 Public sector equality duties were considered in the business case set out in 2019 for the delivery of inward investment services from 2020 – 2025. A full review of equalities matters, and an equalities impact assessment will be made in relation to any new activities brought forward and in the business case proposed for service delivery post March 2025.

Report and advice reviewed and signed off by: Stephen Bashford, Director of Business and Skills

### Climate Change Implications

- 27 This review considers how the inward investment service can be positioned in the future to specifically address climate and ecological implications. Feedback suggests that the development of the new regional economic strategy provides an opportunity to review the objectives of the investment service placing greater emphasis on environment/net zero outcomes from inward investment.
- 28 The Invest Bristol and Bath service does not currently have a system in place to monitor the Net Zero impact of inward investment projects into the region. It is recommended that the service should begin to gather Net Zero project verification data to support future assessment of the extent to which the Invest Bristol and Bath service is contributing to Net Zero and green jobs as a proportion of the total pipeline of investment wins. This data can be used to inform future campaign activity and targeting of investors.

Report and advice reviewed and signed off by: Roger Hoare, Head of Environment

### Finance Implications, including economic impact assessment where appropriate:

- 29 There are no immediate direct financial implications arising from this report. The business case approved in 2019 provided £5m funding for 2020-2025 at an estimated £1m spend per annum. Current spend is approximately £3.1m and with 19 months left to run in the current plan the forecast is that the remaining £1.9m will be spent. Project highlight reports are submitted quarterly.
- 30 Some recommendations made in the Gateley review will require financing. The review implementation plan will identify where existing funding can be used and where additional funding would be required. No additional funding will be sought within the term of the current business case up to March 2025.
- 31 The development of a new business case for regional inward investment and international activity beyond from April 2025 will be co-developed with the UAs over the next 18 months. The April 2025 – March 2030 business case will require a new financial package in place.

	Budget	Spend to Date	Forecast Spend	Variance
April 2020 – March 2025	£5m	£3.1m	£1.9m	0



Report and advice reviewed and signed off by: Selonge Russell, Head of Finance and Deputy Section 73 Officer.

**Legal Implications:**

- 32 The West of England Mayoral Combined Authority constitution (adopted 07/11/2017, amended 19/06/2022) states on page A4 that the Mayoral Combined Authority has a function to ‘Support Invest Bristol and Bath’. It is also stated within the terms of reference for the West of England Local Enterprise Partnership (LEP) on page A19 of the constitution, that the LEP has a key responsibility for ‘Supporting the attraction of new inward investment and nurturing business development, innovation and creativity’.

Report and advice reviewed and signed off by: Daniel Dickinson – Interim Director of Legal Services and Monitoring Officer

**Human Resources Implications:**

- 33 This report carries no direct HR implications. Recommendations in the Gateley report will inform a future implementation plan. It is unlikely short-term actions undertaken prior to March 2025 will have any direct HR implications.
- 34 The development of a new business case for the service post March 2025 will require resourcing. The resource requirements will be set out in the business case to be co-developed with the UAs over the next 18 months. If agreement is not reached and a new financial package for the delivery of inward investment isn’t agreed there is the potential for up to 10 staff redundancies.

Report and advice reviewed by Monica Ogborne, HR Business Partner and signed off by Alex Holly, Head of People and Assets

**Appendices:**

*List any appendices to the report:*

Appendix 1 – Gateley Global Final Report - Mid-term Review of Invest Bristol and Bath Service\_July 2023

Appendix 2 – IBB Review Short Term Action Plan

**West of England Mayoral Combined Authority Contact:**

Report Author	Contact Details
Antony Merritt	antony.merritt@westofengland-ca.gov.uk



*Forward thinking*  
Straight talking

A Mid-term Review of the  
*Invest Bristol & Bath*  
*Service* for the West  
of England Combined  
Authority

Gateley Global

Executive Summary  
July 2023

Gateley / GLOBAL

# 1. Executive *summary*

## **Background and Context:**

The West of England Combined Authority (CA) commissioned Gateley Global to undertake a Mid-term Review of the Invest Bristol and Bath service (2020-23) to assure continued effectiveness and value for money. The research was undertaken between the 15th March and 15th June 2023. Invest Bristol and Bath is referred to as “the service” or the “core team” in the report.

## **Approach:**

Our approach to delivering a comprehensive qualitative and quantitative review consisted of both desktop research and multi-tiered stakeholder engagement. The conclusions and recommendations highlighted in the report are based upon findings from: two scoping interviews with the CA, 24 stakeholder interviews, documentary and quantitative analysis, six surveys, two workshops, and benchmarking research. The full approach is outlined in the Annex of this report.

## **Research findings:**

Evidence to support a business case for the service from April 2025-2030

We recommend the service continue to be delivered via a regional model under a post 2025 inward investment plan with greater stakeholder involvement based on the following research findings:

1. **Economies of scale:** The regional model enables the four Unitary Authorities (UAs) to pool resources to compete effectively against other inward investment services providing the Department for Business and Trade (DBT) with a single point of contact;
2. **Positive client feedback:** Investment Wins survey respondents scored the service 4.41 out of 5 in their likelihood of recommending the service. The service was viewed as competitive compared to its competitors.
3. **Positive stakeholder feedback:** Stakeholder respondents scored the quality of the service compared to other services at 4.56 out of 5. DBT provided feedback that collaboration and sector expertise is best practice. BPAA described the team as the most effective in 35 years.
4. **High performance results:** The service helped the creation of 11,254 new jobs exceeding targets for jobs created by 98% and investment wins by 222% (228 wins). 76.6% of employees recruited by Investment Wins survey respondents were local hires.
5. **Benchmarking research:** The regional model is a tried and tested model used by key competitors with higher FDI levels (Cambridgeshire and Peterborough, Greater Manchester, Leeds City Region and the West Midlands) that are also leveraging private sector support.

Replacing the service with a UA led model would: (1) complicate the DBT relationship, (2) restrict resource, (3) weaken service quality, and (4) jeopardise the conversion of the investment pipeline.

Recommendations for the future of the service beyond 2025 are presented in *italics*.

## 1. Alignment of the service with DBT national Inward Investment strategy

DBT delivery and support for initiatives such as the Northern Powerhouse and Midlands Engine represents both an opportunity and a challenge for the West of England region and Western Gateway to engage more effectively with central government at a strategic level to access more resource and investment. DBT survey results indicated they perceive the service is aligned with DBT national inward investment policy. DBT respondents perceived the quality of the service to be extremely good with few enhancements needed. DBT feedback indicated that Invest Bristol and Bath (IBB) collaboration and sector expertise demonstrates best practice. DBT represent the greatest source of investment wins. Examples of collaboration were shared around the Smart & Sustainable Aviation High Potential Opportunity programme, the DBT nuclear sector proposition, enquiry handling, account management virtual team working and support for overseas DBT posts.

### Strategic Recommendations:

- *R1.1. Develop a government relations strategy to raise the region's profile and its unique selling proposition (USP) to increase levels of funding dedicated to investment attraction and promotion.*

### Operational Recommendations:

- R1.2. Prioritise DBT collaboration opportunities following the DIT/BEIS merger;
- *R1.3. Introduce overseas in-market representation either via external consultants or locally employed staff to increase pipeline in target markets and priority sectors.*

## 2. Relevance and alignment of the Full Business Case objectives with current regional and local strategy and priorities

The development of the new regional economic strategy provides an opportunity to review the objectives of the service. The CA workshop participants recognised the objectives should be updated to place greater emphasis upon employment and environment/Net Zero outcomes from inward investment. This was reinforced by feedback received from industry stakeholders and UAs on how the service objectives could be updated:

- Recognition of the difference between high value vs. high impact inward investment;
- Importance of adopting a more strategic approach to inward investment delivery;

- Stronger recognition of the supporting role played by the private sector/industry networks;
- Greater sector diversity to improve the social impact of inward investment into the region;
- Maximising the impact of public sector investment to attract private sector investment;
- A stronger focus on sustainability, the green economy and attracting green businesses;
- Ensuring funding is allocated to maximising additionality from inward investment;
- Stronger alignment with policy on inclusive growth, productivity and innovation;
- A more targeted, less volume-based approach to investment promotion;
- Greater clarity regarding how the core service works with UAs and the Western Gateway;
- More emphasis on sharing data on service performance with industry stakeholders.

While a centralised Inward Investment function that identifies investment opportunities, generates leads, delivers pre-landing services and measures service impact was regarded as still relevant, the account management focus and priorities were questioned by B&NES.

#### Strategic Recommendations:

- *R2.1. Develop an Inward Investment plan for the future of the service post 2025 in collaboration with UAs, industry, university and other stakeholders;*
- *R2.2. Agree strategy objectives relating to priority sectors, inclusive growth, capital investment, Net Zero and innovation and how this should be delivered;*
- *R2.3. Create specific objectives on industry stakeholder engagement, partnership working and attraction of public sector investment;*
- *R2.4. Allocate additional funding for the delivery of the Inward Investment plan and leverage support from other CA teams.*

### **3. Assessment of the performance, value and financial benefits of the service**

The service is exceeding its targets for investment wins and jobs created by 222% and 98% respectively and has accelerated its performance in the last three years during a challenging period. Over the three years the service has helped create 11,254 new jobs across 228 investment successes. Stakeholder/UA feedback highlighted the professionalism and experience of team members. However, the uneven distribution of investment wins and jobs created across the four UAs was raised as a concern by the UA delivery partners; notwithstanding the economic dominance of Bristol or UA spill-over effects. Additionally, the investment wins target has only increased by 14% since the beginning of the service in 2015 compared to an increase in actual investment wins by 70%. Similarly, the jobs target has increased by 26% compared to an actual job creation increase of 420%. There is currently no target to measure high quality investment or sector specific targets.

#### Strategic Recommendations:

- R3.1. Increase current delivery targets and adopt stretch targets to drive high performance;
- *R3.2. Include targets within the Inward Investment plan aligned with local strategies e.g. inclusive growth, Net Zero, R&D intensive investment, and value add client ratings.*

#### 4. Perceptions of the region as a destination for inward investment

Three primary investment drivers were highlighted in feedback from investors, stakeholders and the UAs: access to talent, cutting edge world-class research and innovation and leading sector clusters. The region's geographic proximity to London, external transport connectivity, attractive quality of life, cultural assets and green credentials were viewed as important fundamentals. UAs referred to local workforce challenges in accessing high value investment. UAs questioned whether the sector focus and investment promotion is adequately aligned with the needs of local residents.

In addition to the cost of labour, the following issues were identified as barriers:

- Lack of access to suitable and affordable office space and development sites;
- Lack of affordable housing and sustainable transport infrastructure within the region;
- Lack of access to funding and incentives for inward investors

Low media profile for the region was partly attributed to a lack of marketing resource. Stakeholders emphasised the need for increased funding for investment promotion. A lack of Levelling-up funding was partly attributed to low awareness of economic deprivation within the region in government.

##### Strategic Recommendations:

- R4.1. Increase funding for the marketing of the region;
- R4.2. Wider CA to raise awareness within central government of economic deprivation;
- R4.3. Continue to share qualitative investor feedback with wider CA teams on policy issues.

#### 5. Perceptions on profile raising of the region

Survey responses on communication channels were mixed: stakeholders and DBT were generally positive compared to UA respondents. Areas for improvement included press releases (PR), social media, conferences and events, national multiplier engagement and briefings for Local Government. Stakeholders called for clearer messaging on USPs and better communication to stakeholders on results and successes. The UA interviews provided a range of feedback on raising the region's profile internationally, the need for more effective collaboration and on service delivery. These are summarised below:

- Better communication of successes via networks and media channels;
- Greater clarity of how sector campaigns are measured and improved visibility of results;
- Better representation of local investment opportunities/industry within marketing narrative;
- Stronger lobbying of government by industry to attract public sector investment;
- More effective use of Bristol and Bath alumni within central government;
- Greater leveraging of Bristol's international brand/soft power via the Bristol Mayor's networks;
- Updating of investment promotion narrative including more focus on workforce health;

- Creation of a regional narrative around its economic strategy and wider infrastructure issues;
- More effective use of Bristol's diaspora communities;
- Recruitment of private sector expertise to develop and sell business cases to capital markets.

#### Strategic Recommendations:

- R5.1. Develop a communication strategy to promote successes and campaigns to stakeholders including a quarterly video, annual report, presentations, client interviews, annual inward investor awards ceremony and a roundtable with CA and UAs.

#### Operational Recommendations:

- *R5.2. Commission a communications agency to create a high impact campaign communicating the emerging narrative and USPs to an international and national audience;*
- *R5.3. Build a network of Bristol and Bath advocates across key research fields, business sectors, culture and arts, sport, government and politics, and in key international markets;*
- *R5.4. Appoint a Bristol and Bath senior officer tasked with generating investment leads from London based foreign export and trade promotion agencies, embassies and chambers;*
- *R5.5. Commission a supporting specialist provider to deliver a trade and investment multiplier engagement programme to increase high quality lead generation;*
- *R5.6. Appoint Honorary Ambassadors in Priority Markets to harness the soft power of the region's diaspora via receptions, trade missions and other profile-raising activities.*

## 6. Perceptions of service delivery standards

Research findings show that the service is perceived as having two primary foci: 1. Raising the region's profile internationally; and 2. Generating leads and converting them into investment opportunities. One inward investor interviewed suggested that the service should work with its clients to help them build actionable projects around their corporate goals. This approach resonates with the benchmarking research insights on the West Midlands Growth Company (WMGC).

The Investment Wins and Strategic Accounts survey respondents indicated a high likelihood of recommending the service but indicated that the service needs to add more value around skills, presentation material, finance, funding, developing partnerships, and access to centres of excellence. The Strategic Accounts responses indicated lower impact by the service. Stakeholder responses were positive around support and different types of investment attracted; however, access to funding was identified as an area for improvement. UA survey responses identified a particular need for improvement relating to service delivery standards and governance structures.

Stakeholder feedback on service delivery was positive. The BPAA described the service personnel as the most effective in 35 years. Project Daffodil was cited as an example of a collaborative and responsive approach to enquiry handling even though it has not yet led to an investment in the region. Suggestions for improvement included earlier and more strategic stakeholder engagement and the need to occasionally challenge a client brief.



UAs highlighted a number of positive aspects of the service including:

- Quality of enquiry handling speed and response reflected by good client feedback;
- Hosting of delegations and supporting programmes (but more visibility needed on outcomes);
- Reporting processes: quality of information provided.

However UA interviewees raised the following concerns:

- Lack of supply chain knowledge and bias towards Bristol strengths;
- Tailoring of visit programmes needed and more information required on events/delegations;
- Lack of sufficient notice given for responding to enquiries and need for better planning;
- Better coordination of involvement by political leaders at an earlier stage of an enquiry/pitch;
- More notice given to UAs of upcoming delegation visits and more strategic collaboration;
- More joined-up approach to Strategic Accounts around company visits;
- RIF funding for the service is not delivering the value for money expected for communities;
- A focus on supporting investments that would land anyway.

This paints a mixed picture of the service ranging from positive responses on enquiry handling to value for money concerns regarding the outcomes (job creation and project wins) for communities.

#### Operational Recommendations:

- R6.1. Increase sector specialist resource to develop local knowledge and generate leads;
- R6.2. Increase UA collaboration via formalised Memorandum of Understandings (MoUs) and UA account management plans; R6.3. *Provide clients with a market entry project management plan, access to a client portal platform and self-service diagnostic tool highlighting relevant support;*
- R6.4. Increase value for strategic accounts via collaboration with wider CA and stakeholders;
- R6.5. Conduct quarterly Net Promoter Score (NPS) surveys to monitor service delivery.

## 7. Impact of inward investors on the region

There are a number of gaps in the data that is collected to measure the impact of inward investment within the region. These include: local hires, employment of residents from disadvantaged communities, salary level data, capital expenditure, R&D activity, fundraising, Net Zero related investment, local supply chain procurement, expansion to new premises, and export sales. Survey responses showed most investors and strategic accounts are planning to recruit; most commonly, with 11-20 employees (and 50-100 in the case of strategic accounts), with the vast majority (77%) being local hires. Service users interviewed are engaging local universities, colleges, schools and less represented groups. Feedback from investors interviewed indicates investors value aftercare introductions to BristolWORKS and local schools. There is an opportunity for the service to facilitate more strategic introductions to skills providers working with

disadvantaged communities to promote inclusive growth working with the UAs in response to client demand.

Operational Recommendation:

- R7.1. Build on existing support to connect investors with UAs, education institutions, skills providers and disadvantaged groups to achieve their diversity and inclusion objectives.

## 8. Service impact related to Enterprise Areas and Enterprise Zones

Interviewees referred to investment promotion of Temple Quarter investments, Engine Shed, Setsquared, Bristol University Temple Quarter campus plans, Food Works, The Hive, Bristol and Bath Science Park and Bath Quays investments. However, the lack of a visible link between marketing and investment, along with the withdrawal of incentives and planning issues, was highlighted as a challenge. The UA survey results indicate the service is perceived as having an impact in attracting investment into Filton, Emersons Green, Temple Quarter and Avonmouth-Severnside; however, it was perceived to be less impactful in attracting investment into Weston and Bath and Somer Valley. B&NES plans to attract investment to this EZ to provide employment opportunities bridging the gap between low and high value/wage such as manufacturing, rural economy as well as energy, lifesciences, science and technology R&D. The UAs called for better communication of investment promotion, and some UAs conceded they need to provide better narrative and would value advice to develop more compelling messaging.

Operational Recommendations:

- R8.1. Refresh the promotion of the EZs/EAs with the UAs to ensure sector alignment;
- R8.2. Maximise the inward investment impact of new university developments in the EZs;
- R8.3. *Recruit expertise to assist UAs with the development and promotion of investment business cases to institutional investors.*

## 9. Leveraging of Centres of Excellence

The service regularly engages with the universities and centres of excellence in the following ways:

- Graduate placements and talent related matters;
- Sector specific campaign content;
- Introductions for inward investors interested in R&D collaboration;
- Meetings with Setsquared and research departments;
- Hosting delegation visits, joint pitches and collaboration on CA co-funded initiatives.

UAs are liaising directly with universities to facilitate R&D collaboration conversations. The UAs explained it can be difficult to access concise information on centres of excellence from universities.

Feedback was received that that the region needs an investment promotion strategy linked to

universities as a source of talent and research. The recently published HEPI report ‘The role of universities in driving overseas investment into UK Research and Development’ highlights the benefits for research institutions in attracting private sector investment including FDI with the scope to increase this source of funding by collaborating with local economic growth organisations.

Strategic Recommendations:

- R9.1. Set up R&D intensive FDI task and finish groups involving universities and industry.

Operational Recommendations:

- R9.2. Promote webinars on specific areas of R&D in collaboration with the universities;
- R9.3. Commission a provider to deliver targeted R&D focused FDI lead generation.

## 10. Service impact related to Sector based campaigns

Sector based campaigns are central to driving the marketing activity for inward investment attraction but the service does not currently use sector targets to drive or prioritise this activity. Stakeholder survey results highlight that the sector campaigns are perceived to be successful in relation to supporting their organisation, the attraction and engagement of clients and the promotion of the region. The UA respondents perceived the aerospace and advanced manufacturing campaigns to be the most successful while the Food and Drink innovation campaign was perceived to have the least impact. Some strategic and operational concerns were shared that should be given consideration.

Strategic issues:

- Sector prioritisation to ensure strategic alignment with the UAs;
- More effective contribution by UAs needed in the development of sector campaigns;
- Greater visibility of costs, resources, KPI results, and ROI evidence from marketing activity;
- Stronger coordination needed to leverage Bristol Mayoral networks via joint planning;
- Improved resourcing for capital investment promotion including monitoring and pitch book.

Operational issues:

- Better communication of updates to stakeholders needed despite lead gen collaboration;
- Improved communication of existing proactive investor targeting activity and successes;
- Enhanced supply chain knowledge and clarity in UA investment narrative needed;
- Improved analysis of event selection rationale, results and best practice transfer needed;

- Longer notice required by UAs for responding to pitch requests to improve submission quality.

UA feedback on the development of the annual campaign plan highlights the perception of a lack of joint ownership of the service between these parties. What service outcomes look like and how they are to be agreed, delivered and monitored by the partnership appears to be at the root of the mis-alignment. This should be resolved at a strategic level rather than an operational one. However, recent discussions between CA and UA directors is evidence this is already partly underway.

#### Strategic Recommendations:

- R10.1. Resolve campaign plan tension to ensure agreement on sector focus and monitoring;
- R10.2. Run two separate meetings to discuss campaign performance and next iteration;
- R10.3. Monitor effectiveness of marketing and campaign activity via a defined set of KPIs;
- R10.4. Measure the ROI results from this marketing activity to assess impact;
- *R10.5. Include annually refreshed sector targets within the campaign and activity plan to drive marketing activity and support monitoring and evaluation;*
- R10.6. Collaborate with BCC's International team to leverage the Bristol Mayor's networks;
- *R10.7. Develop a private and public sector infrastructure investment prospectus with partners.*

#### Operational Recommendations:

- R10.8. Share sector campaign activity updates more extensively with regional stakeholders;
- R10.9. Develop knowledge of local market opportunities via UA lunch and learn briefings;
- *R10.10 Respond to green investment strategy objectives by piloting new marketing activity:*
  - *A FDI cleantech academy programme providing investors with UK market access, market intelligence, strategic partnerships and UK establishment support;*
  - *A Market Access Programme competition to attract clean tech FDI with the opportunity to pitch to a high-level virtual panel of industry representatives;*
- *R10.11. Collaborate with UAs that receive a lower proportion of inward investment on targeted marketing activity such as a food innovation Market Access Programme competition.*

## 11. Service impact related to local business growth support

While professional services, financial and business support, and trade support were viewed as the most helpful, the survey indicated investors considered the wider business support could be more helpful. The collaboration between the service and the CA Innovation and Communications teams on the space campaign was an example of how the service can attract central government funding into an emerging cluster to attract private sector investment. Other CA teams recognise the value of: engaging with the service for acquiring business intelligence, achieving policy objectives, increasing the outreach of Growth Hub, adding value to Growth Hub clients and enabling inward investors to become more integrated into the local

economy and ecosystem. However, the UAs lack visibility of the integration between the core service and the wider CA teams.

#### Strategic Recommendations:

- R11.1. Increase collaboration with the CA Innovation team to attract public sector funding.

#### Operational Recommendations:

- R11.2. Increase the exposure of Strategic Accounts to CA value add support;
- R11.3. Provide UAs with more information on CA business support for strategic accounts;
- R11.4. Improve CA understanding of the availability of local business support.

## 12. Strengths and challenges of partnership working with the UAs

UA survey respondents perceived that the service could be more effective at collaborating with the UAs across a range of areas. UA respondents indicated that the service is effective at promoting lab space but less so with other types of property. UAs responded that the creation of employment opportunities for local residents was poor although survey responses from investment wins reveal an average of 76.6% employ local hires.

Interview findings demonstrate that the service has built strong collaborative relationships with industry stakeholders; however, the four UA delivery partners want to receive more value from the service. The core team expressed concern over perceived communication inefficiencies within the UAs leading to consumption of valuable time and resources. Some UAs concede that they have not provided the required narrative. The UAs confirmed that the reporting mechanisms for joint working at an operational level are mostly in place. The UAs are concerned about the current partnership approach and want more opportunity to influence the strategy underpinning the service.

The UAs expressed concern that the service they founded, now managed and delivered by the CA, is not perceived to be working for them. The UAs suggested that a new hub and spoke model could help decentralise some of the resource back to the UAs involving rotating part-time secondments to better understand UAs. However, this contrasts with a call from the LEP stakeholder to centralise more resource into a more integrated service. It will be more time efficient for UA officers to provide briefings to the whole of the core service rather than embed core team within UAs.

#### Strategic Recommendations:

- R12.1. Increase UA confidence and trust in the service by providing value add briefings and giving UA areas public recognition when investments land;
- R12.2. Ensure a strong partnership approach to the new Inward Investment Plan;
- R12.3. Increase core resource and UA/stakeholder engagement.

### 13. Governance, monitoring, evaluation and quality assurance

It was not clear whether there is a MoU to govern the partnership between the CA and the UAs as set out in the Full Business Case. Similarly, it is not clear that the formal Advisory Panel mentioned in the Full Business Case exists. It was due to be a sub-group of the LEP, chaired by the LEP, meeting on a quarterly basis and undertaking the following governance tasks:

- Review output and monitoring data providing regular oversight of activities and performance;
- Assess and approve quarterly reports to lead to annual reports to be assessed and approved by the Regional Business Board annually;
- Input into the annual forward plan to be developed by the service and approved by the Regional Business Board.

It is possible that these two omissions may explain some of the challenges that have occurred in the relationship between the CA and the UAs within the partnership model.

There are regular meetings with the UA Economic Development Managers who report up to their Business and Skills directors; however, this could be more formalised. The LEP Board also receives updates on the service and can provide business perspective updates. There is a Business and Skills Advisory Board which includes the elected member portfolio leads from the UAs chaired by the Metro Mayor. The service does not currently use the Risk Register outlined in the Full Business Case.

#### Strategic Recommendations:

- R13.1. Establish an advisory panel comprising UA, universities and industry stakeholders.

#### Operational Recommendation:

- R13.2. Re-introduce and utilise the risk register.

### 14. Impact of economic changes on inward investment and service response

Investor survey responses identified the most significant challenges to investment were finding appropriate premises, access to talent, funding and finance. Macro-factors cited for having the most negative impacts on business were Inflation, the skills shortage, and rising energy and fuel costs. This was closely followed by rising interest rates, Brexit, UK immigration laws, supply chain shortages, exchange rate fluctuations, COVID, customs processes, rising childcare costs and disruptive technology. The impact of COVID varied according to stakeholders; however, it has changed the demand for office space. Occupiers are now searching for hybrid, flexible working and smaller offices with higher ESG credentials. Other challenges included the availability of funding and tax incentives in other UK locations and a downturn in the tech sector. The service has risen to the challenge posed by COVID through its strategic accounts work.

#### Operational Recommendation:

- R14.1. Continue to monitor the effect of economic pressures upon inward investors and strategic accounts working closely with UAs and wider CA teams to provide support.

## 15. Comparisons with other regional inward investment services

The survey results on benchmarking indicate the service is perceived to perform well in areas such as: quality of service, range of services provided, regional profile raising and integration with wider business support. The Investment Wins respondents rated the service as “competitive”, and areas such as visit programmes, speed of service and practical set up support were given “highly competitive” ratings. Funding, service value-add, strategic introductions and branding were viewed as less competitive. The desk-based benchmarking research focused on seven locations that have attracted higher levels of FDI, revealing various approaches to structure, focus, delivery models and funding sources. It is recognised that GVAs and funding for these locations will vary in comparison to the region. The benchmarking analysis demonstrates the importance other regions attach to:

- Regional inward investment delivery models representing multiple local councils;
- Allocating significant funding to develop a strong global brand and attract investment;
- Combining public and private sector resource through strong partnership working;
- Developing an investment strategy to tell the region’s story and reflect its values;
- Setting challenging targets utilising a comprehensive set of KPIs;
- Articulating compelling investment propositions across both inward and capital investment;
- Strong involvement from universities, developers and other private sector partners;
- Combining a focus on inward investment, capital investment, trade and research;
- Attracting central government and private sector funding to support investment promotion;
- Leveraging international partnerships and soft power for raising global profile;
- Adding value via account management diagnostics and strategic introductions;
- Including private sector expertise within the governance model;
- Integrating inward investment service delivery with wider business support;
- University led inward investment activity to plug inward investors into the ecosystem.

This research demonstrates the importance of developing an investment strategy by harnessing an alliance of interests to transform a region economically, socially and environmentally.

### Strategic Recommendations:

- R15.1. Establish a partnership with developers to leverage private sector funding;
- R10.6. *Increase capital investment promotion to increase the supply of Net Zero property;*
- R15.2. *Leverage international connections, events, and soft power to develop a global brand;*
- R15.3. *Establish an Equity Investment Fund linked to inward investment job creation.*

### Operational Recommendations:

- R15.6. *Establish a Net Zero inward investment narrative with the Western Gateway.*

Gateley / GLOBAL



## Invest Bristol and Bath mid-term review

### Short term action plan (2023 to 2025) and initial consideration of Gateley recommendations for IBB service delivery beyond 2025

This table sets out themes and actions derived from the Gateley mid-term review for the remainder of the current funding allocation through to March 2025. This first phase response and action plan has been co-developed with the UA Economic Development Managers and the Mayoral Combined Authority Head of Enterprise, Inward Investment and Trade. The Gateley references are Strategic Recommendation (SR) and Operational Recommendation (OR).

	Themes	Gateley reference	Actions	Lead	Timescale
1	Review and confirm governance arrangements for IBB and ensure strategic leadership is in place (Solace review – flagship service delivery)	SR23. Establish an advisory panel comprising UA, universities and industry. OR26. Re-introduce and utilise the risk register.	<b>Draft paper on governance</b> - Leadership group to steer inward investment - options & recommendations. EDMs discussion points <ul style="list-style-type: none"> <li>• What was original plan, what was envisaged – points of failure?</li> <li>• What are principles for governance - who should be involved?</li> <li>• Business Board/LEP/MCA Governance vs something new?</li> <li>• What exists already &amp; in plan for transformation (Jess Lee).</li> <li>• Operational Gov'nce EDMs, Directors, CEOs, Mayors &amp; Leaders/Joint Committee (who in which orgs – IS example in SGC)</li> <li>• Who is involved and why? people must not be disconnected</li> <li>• Advisory Group – recommendations and/or decisions (toR for Adv Group) – eg agree narrative etc</li> <li>• Information flow back down</li> </ul>	AM/EDMs	Sept 23
			<b>Wider circulation and feedback</b> (Directors, CEOs, B&S Skills Board)	AM	Oct 23
2	Develop a communication strategy to promote successes and campaign activity to stakeholders and to showcase our offer to a global audience	SR.9. Develop communication strategy to promote successes and campaign activity to stakeholders including a quarterly video, annual report, stakeholder presentations, client interviews, annual	<b>Produce draft comms plan</b> - promoting campaign activity and investment successes EDMs discussion points <ul style="list-style-type: none"> <li>• Ant to task Francesca (MCA IBB Comms officer) to draft plan</li> <li>• Focus on campaigns plan and positive successes</li> </ul>	VdM / FB	Sept/Oct 23

	Themes	Gateley reference	Actions	Lead	Timescale
Page 34		<p>inward investor awards ceremony and roundtable with MCA and UAs.</p> <p>OR3. Commission a communications agency to create a high impact campaign.</p> <p>OR17. Promote webinars on specific areas of R&amp;D in collaboration with the universities.</p> <p>OR19. Share sector campaign activity updates more extensively with regional stakeholders.</p> <p>OR20. Develop knowledge of local market opportunities via UA lunch and learn briefings.</p> <p>OR24. Brief UAs more extensively on MCA support for strategic accounts.</p> <p>OR27. Continue to monitor the effect of economic pressures upon inward investors.</p> <p>OR28. Establish a Net Zero inward investment narrative with the Western Gateway.</p>	<ul style="list-style-type: none"> <li>• UAs to contribute to comms plan &amp; 2 way info</li> </ul> <p><b>Create shared narrative / content / data library</b></p>	VdM/EDMs	Oct/Nov 23
	3	<p>Review and co-design campaign and activity plan for the remaining 18 months aligns to MCA and council policy drivers (to include local council specific delivery programmes) * recognising there is currently limited resource in the councils</p>	<p>OR9. Increase UA collaboration via formalised MoUs and UA account management plans.</p> <p>OR14. Refresh the promotion of the EZs/EAs with the UAs to ensure sector alignment.</p> <p>OR15. Maximise the inward investment impact of new university developments in the EZs.</p> <p>SR11. Resolve campaign plan tension to ensure agreement on sector focus and monitoring.</p> <p>SR12. Run two separate meetings to discuss campaign performance and next iteration.</p>	<p><b>Create Campaign Plan matrix and circulation process</b></p> <p>EDMs discussion points</p> <ul style="list-style-type: none"> <li>• Val has draft Matrix</li> <li>• Evidence based, leadership driving</li> <li>• Do we prioritise and target sectors?</li> <li>• Align to policy drivers (i.e. Green investment vs heavy industry, etc)</li> <li>• Sector focus? Sectors &amp; geographies</li> <li>• How do we tie in land requirement?</li> <li>• Challenges/incentives?</li> </ul>	VdM

	Themes	Gateley reference	Actions	Lead	Timescale
		SR16. Collaborate with BCC's International team to leverage the Bristol Mayor's networks.			
4	Review how we measure success <ul style="list-style-type: none"> <li>- campaigns activity</li> <li>- account management</li> <li>- jobs and outcomes for local people</li> </ul>	SR5. Increase current delivery targets to drive high performance. SR8. Continue to share qualitative investor feedback with wider MCA teams on policy issues. OR12. Conduct quarterly Net Promoter Score (NPS) surveys to monitor service delivery. ?? SR13. Monitor the effectiveness of marketing and campaign activity via a defined set of KPIs. SR14. Measure the ROI results from this marketing activity to assess impact. <i>SR20. Increase UA Senior Leadership and Political confidence and trust in the service by providing value add briefings in person and giving UA areas public recognition when investment lands.</i>	<b>Performance Review</b> <ol style="list-style-type: none"> <li>1. Performance Targets</li> <li>2. Campaign / Lead Gen Targets</li> <li>3. Monitoring reports/information</li> </ol> EDMs discussion points <ul style="list-style-type: none"> <li>• Campaigns – causality? Conversion from campaigns to pipeline – X% of interest, and then landings from campaigns (not just events) targeting based on previous experience?</li> <li>• How measure where local impact of investment? Surveys? Is it for IBB to do?</li> <li>• Qualitative investor feedback (and non-investor) – regular investor surveys?</li> </ul>	AM/EDMs	By Dec 23
			<b>Formalise quarterly monitoring</b> EDMs discussion points <ul style="list-style-type: none"> <li>• Consider how monitoring impacts service delivery</li> <li>• Levels of information for External/Political/CEO/Director/EDM levels</li> <li>• Recommendations and actions from reporting feeding back</li> <li>• Information flow across whole service</li> </ul>	AM/EDMs	Oct 23
5	Review, enhance and modify internal working processes	OR1. Prioritise DBT collaboration and monitor opportunities arising from the DBT merger. OR8. Increase sector specialist resource to develop local knowledge and generate leads.	<b>Identify and implement improvement to internal working processes</b> EDMs discussion points <ul style="list-style-type: none"> <li>• protocols &amp; journeys – quick check if fit for purpose</li> <li>• Focus on pit falls / opportunities</li> <li>• Jane Wright to kick this off</li> </ul>	JW/EDMs	Sept/Dec 23

Themes	Gateley reference	Actions	Lead	Timescale
	OR11. Increase value for strategic accounts via collaboration with wider MCA and stakeholders. OR13. Increased support for inward investors in relation to diversity and inclusion objectives. SR19. Increase collaboration with the MCA Innovation team to attract public sector funding. OR23. Increase the exposure of Strategic Accounts to MCA value add support. OR25 Clarify understanding of the availability of local business support across the region.			

Short term recommendations for further consideration and possible move to longer-term thinking

- SR7. Increase funding for the marketing of the region. *No additional funding to March 2025. IBB Doesn't currently have a place marketing remit (IBBs current remit is promoting investment opportunities to drive direct investment). Can consider in long term plan.*
- SR18. Develop a private and public sector infrastructure investment prospectus with partners. *Currently no capacity to develop a full capital investment prospectus and pro-active capability. In the short term (next 18 months) we can continue to support regional efforts to promote capital investment opportunities through events and a responsive service. Further consideration for broadening capital investment activity can be made in the post March 25 business case.*
- SR24. Establish a partnership with developers to leverage private sector funding. *As per SR18 there is currently no capacity to do this at present. This can be considered in the post March 2025 business case*

### Gateley recommendations for building on the IBB service delivery success beyond 2025

The second phase is to develop a long-term plan over the coming 12 months in the form of a business case for delivering inward investment and international activity across the region beyond March 2025. This will again reflect the evidence and feedback in the mid-term review, and the longer-term strategic recommendations set out in the review.

*Blue text indicates HoEIT/EDMs initial consideration of possibility to bring forward into short-term plan, or to build into business case for post March 2025*

- SR1. Develop a government relations strategy to raise the region's profile and its USPs. This can be delivered in the short-term building on the outcome of the regional strategy refresh; IBB can then promote 3 to 4 key shared messages linked to regional strategy and the place strategy*
- OR2. Introduce overseas in-market representation to grow the pipeline. Requires new funding*
- SR2. Develop an Inward Investment plan for the future of the service post 2025 in collaboration with UAs, industry, university, and other stakeholders. Business case to be developed through 2023-2024 to submit for funding mid 2024*

- SR3. Agree strategy objectives relating to priority sectors, inclusive growth, capital investment, Net Zero and innovation and how this should be delivered. *Can do some of this in theme 3 with existing resource structure but may consider different operating models in the longer-term.*
- SR4. Allocate additional funding for the delivery of the plan and leverage wider MCA support. *Requires new funding, however, in the short term we can do more to ensure nominated IBB core officers engage at a local council level (through theme 5 this could provide evidence base for potential future hub and spoke model)*
- SR6. Include targets within the Inward Investment plan aligned with local strategies e.g. inclusive growth, Net Zero, R&D intensive investment, and value add client ratings. *This could be included in key action 2 – recognising that targets would have to be met with existing resource*
- OR4. Build a network of Bristol and Bath advocates across key research fields, business sectors, culture and arts, sport, government and politics, and in key international markets. *Requires resourcing to do it properly, but we can potentially include in theme 4 and formalise some of our existing relationships*
- OR5. Appoint a Bristol and Bath senior officer tasked with generating investment leads from London based foreign export and trade promotion agencies, embassies and chambers. *We have the potential to include this in action 4 (utilising existing resource – Stephanie Poon)*
- OR6. Commission a specialist provider to deliver a trade and investment multiplier engagement programme to increase high quality lead generation. *Requires new funding*
- OR7. Appoint Honorary Ambassadors in Priority Markets to harness the soft power of the region's diaspora via receptions, trade missions and other profile raising activities. *Requires resourcing to do it properly, to be considered in the post March 2025 plan (recognising opportunity for additional wider regional international activity)*
- OR10. Provide clients with a market entry project management plan, client portal platform and self-service diagnostic tool highlighting relevant support. *Needs further though – currently not planning to develop self-service tools*
- OR16. Assist UAs with the development and promotion of investment business cases. *Possible to do some of this in the short term. Depends on the appetite for UAs to deliver individual place based investment cases, and on available resource in the core team*
- SR10. Set up R&D intensive FDI task and finish groups involving universities and industry.
- OR18. Commission a provider to deliver targeted R&D focused FDI lead generation. *Like Gateley Global perhaps?*
- SR15. Include annually refreshed sector targets within the campaign and activity plan. *Why would we need sector targets? DBT only have sector targets because they have sector teams. (Can be considered further within theme 4)*
- SR17. Allocate funding to increase capital investment resource and promotion. *Requires new funding*
- OR21 Respond to green investment strategy objectives by piloting new marketing activity.
- OR22. Targeted marketing activity for lower performing UAs.
- SR20. Increase UA Senior Leadership and Political confidence and trust in the service by providing value add briefings in person and giving UA areas public recognition when investment lands. *Could be considered in themes 1 and 5*
- SR21. Ensure a strong partnership approach to the new Inward Investment Plan.
- SR22. Increasing core resource and UA/stakeholder engagement. *Requires new funding*
- SR25. Leverage international connections, events, and soft power to develop a global brand. *Could be included in action 3*
- SR26. Establish an Equity Investment Fund linked to inward investment job creation. *Needs further though – currently not planning to develop a fund, would require new funding*

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**REPORT TO: WEST OF ENGLAND JOINT COMMITTEE ITEM 02**

**DATE: 06 OCTOBER 2023**

**REPORT TITLE: LEP & IBB FORECAST 2023/24**

**DIRECTOR: RACHEL MUSSON, INTERIM DIRECTOR OF INVESTMENT AND CORPORATE SERVICES**

**AUTHOR: SELONGE RUSSELL, HEAD OF FINANCE AND PETE DAVIS, HEAD OF GRANT AND MANAGEMENT ASSURANCE**

## **Purpose of Report**

- 1 This report represents the revenue and capital forecast to the West of England Joint Committee for the financial year 2023/24 based on data from the period April 2023 to July 2023. The report covers the Local Enterprise Partnership (LEP) and Invest Bristol and Bath (IBB) revenue budgets. Change request approvals are also included as part of this reporting process.

## **RECOMMENDATIONS:**

The voting on the following recommendations will be as follows:

### **The Joint Committee:**

- **Recommendation 1:** Notes the Revised Analysis of LEP External Grants as at the end of July 2023 as set out in Figure 1; The LEP Revenue Forecast as set out in Appendix 1 and the LEP Capital Forecast as set out in Appendix 2;
- **Recommendation 2:** Approve the change requests for schemes in the Local Growth and Getting Building Fund programmes as set out in Appendix 3;
- **Recommendation 3:** Approve the change requests for schemes in the Economic Development Fund programme as set out in Appendix 4
- **Recommendation 4:** MetroWest 2 - Approve the project change request and the award of an additional £20.21m from the Economic Development Fund for the design and construction of North Filton Station and detailed design of Henbury Station, subject to the approval of the updated Full Business Case, delegated to the West of England Mayoral Combined Authority (MCA) Director of Infrastructure in consultation with the Directors of Infrastructure of the constituent Councils.

## Voting Arrangements:

- Item 1: None required – Recommendations are for noting purposes.
- Item 2: Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority)
- Item 3 & 4: Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority)

## Background / Issues for Consideration

- 2 The West of England Mayoral Combined Authority acts as the Accountable Body for a range of funding streams on behalf of the West of England Councils and LEP. The Mayoral Combined Authority Financial Regulations require that it regularly reports on the financial monitoring position of these funds.

## Local Enterprise Partnership Revenue Forecast

- 3.1 **Appendix 1** details the LEP revenue forecast for the 2023/24 financial year based on actual information to the end of July 2023 which shows spend of £14.7m against an original budget of £7.8m. The difference of **£6.9m** is mainly due to the receipt and phasing of additional government grants in relation to the Net Zero Hub £6.5m.
- 3.2 Total grants attained across the two-year period is circa **£22.7m**. We continue to review and update the anticipated timing of spend against these grants and re-profile the income accordingly as detailed in *Figure 1*.

### Figure 1: Analysis of LEP External Grants Revised

#### LEP Grant Income

	2023/24 Forecast £000s	2024/25 Forecast £000s	Total
Investment Bristol & Bath (RIF)	1,185	1,056	2,241
Growth Hub (BEIS)	455	0	455
Asylum Migration Integration (Ashley Housing)	48	0	48
Creative Scale Up (DCMS)	604	498	1,102
Skills Advisory Panel (Dfe)	27	0	27
Career Hub (CEC/DLUHC)	696	0	696
Net Zero Hub (DESNZ)	9,860	7,471	17,331
EDF Management	69	67	136
One Public Estate (DLUHC)	599	0	599
Leader (ESIF)	6	0	6
Infrastructure & Investment Plan (DLUHC)	53	0	53
<b>Total</b>	<b>13,602</b>	<b>9,092</b>	<b>22,694</b>

Note: Grants in 2023/24 not recurring in 2024/25 are time limited in nature.

- 3.3 The original 2023/24 budget for external grants was £6.79m. Net Zero Hub, Creative Scale Up and Growth Hub have been successful, in increasing the overall funding available for this year as detailed in *Figure 2*.



**Figure 2: Original 2023/24 Grant Revenue Budget compared to Forecast Position**

	<b>2023/24 Budget £000s</b>	<b>2023/24 Forecast £000s</b>	<b>Funding Difference £000s</b>	<b>Comments</b>
A - Investment Bristol & Bath (RIF)	1,000	1,185	185	Grant carried forward from previous years
B - Growth Hub (BEIS)	350	455	105	Increased grant from Government (£30k) and contribution from North Somerset (£75k)
C - Asylum Migration Integration (Ashley Housing)	65	48	-17	
D - Creative Scale Up (DCMS)	488	604	116	Grant carried forward from previous years
E - Skills Advisory Panel (Dfe)	0	27	27	Grant carried forward from previous years
F - Career Hub (CEC/DLUHC)	665	696	31	Grant carried forward from previous years
G - Net Zero Hub (DESNZ)	3,296	9,860	6,564	Grant carried forward from previous years together with new grant allocations
H - EDF Management	67	69	2	
I - One Public Estate (DLUHC)	677	599	-78	OPE 6 and OPE 7 ended last year therefore reduced grant available
J - Leader (ESIF)	0	6	6	
K - Infrastructure & Investment Plan (DLUHC)	184	53	-131	Higher spend last year reduced grant available
<b>Total</b>	<b>6,792</b>	<b>13,602</b>	<b>6,810</b>	

- A. Invest Bristol & Bath: IBB is funded through the Revolving Infrastructure Fund, (RIF), as part of a five-year deal, (to be reviewed after year three), as approved by the Joint Committee in October 2019.
- B. Growth Hub: Funding to support local providers and businesses looking to grow, establishing a stronger local economic region.
- C. Asylum Migration Integration Fund (AMIF): Funded by Ashley Housing, this is digital entrepreneurship and business support for refugee and migrants project, aiming to support the launch, stabilisation and growth of refugee and migrant business through personalised business support.
- D. Creative Scale Up: Government grant to help creative industries grow by improving access to expert knowledge and training as well as supporting businesses through training and advice on securing investments.
- E. Skills Advisory Panel: Provided to the Mayoral Combined Authority to provide high quality local-level skills analysis and help maintain relationships between local employers and skill providers.
- F. Careers Hub: Activity to match business volunteers with schools and colleges to support with their strategic employer engagement.

- G. Net Zero Hub: Business, Energy and Industrial Strategy (BEIS) grant to increase the number, quality and scale of local energy projects, to raise local awareness of opportunities and attract private and public finance for energy projects. This grant serves the wider South West Region.
- H. EDF Management: For managing EDF programme.
- I. One Public Estate: Grant funding to support and deliver land initiatives with government and other public sector partners with the aim of rationalising the overall ownership of public sector assets with match funding required from the Investment Fund. The OPE programme is administered by the Local Government Association, with the West of England MCA currently acting as the partnership lead for the region. It focuses on providing funds for projects and programmes that focus on housing, co-location & integration, town centre regeneration surplus public sector land deposits and strategic solutions. Through OPE, funds have been given to a range of projects across the region, including recent funding that was announced in November 2022 from the Brownfield Land Release Fund which helps councils transform unused, redundant or derelict sites into new housing sites.
- J. Leader Programme: To support the development of disadvantage rural regions through projects addressing local needs.
- K. Infrastructure and Investment Delivery Plan: Provided to the UAs to support a strategic planning policy framework to sustainably boost the overall housing supply, deliver affordable housing and accelerate sustainable housing.

**Drawdown from Reserves**

- 3.6 The accumulated LEP Reserve, held by the Mayoral Combined Authority as Accountable Body, was £418k at the beginning of the financial year. Accounting for drawdown and receipt of funds, as approved by the Joint Committee, the reserve balance forecast position is £214k. This is detailed in *Figure 3*:

**Figure 3: LEP Forecast Reserve Balances £'000s**

LEP Reserve balance b/fwd 1st April 2023	418
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Drawdown for Local Industrial Strategy – To deliver our region’s ambition to be a driving force for clean and inclusive growth.	-31
Contributions towards LEP operating costs (To reduce the corresponding UA contribution for ‘match funding’ LEP Capacity Fund)	-160
Drawdown for specialised work to develop an evidence based picture of current digital connectivity across the West of England	-13
Forecast LEP Reserve balance c/fwd 31st March 2024	214

In line with the Financial Reserves Strategy that was approved in January 2022 – it is prudent to ensure that reserves are in place to ensure that in the event of funding withdrawals, there is sufficient reserves in place to maintain a required smooth over, and manage, any potential transitional periods that may be required.

The LEP Capacity Core Grant was budgeted at £375k in line with previous years allocations. In June 2023 confirmation on the arrangements for 2023-24 LEP Core Funding was received at £250k.

When setting the 2023/24 LEP Revenue budget, (January 2023), the Committee approved a further drawdown against reserves of £160k to maintain the constituent authority contributions for LEP operating costs at £110k per authority. Considering the position in the reserves and the reduction in the LEP Core funding for 2023/24, further consideration will need to be given to reviewing the level of the authority contribution in future years.

### LEP Capital Forecast

- 3.7 **Appendix 2** details the LEP Capital Forecast for the 2023/24 financial year based on actual information to the end of July 2023.

### Interest on Balance

- 3.8 Investment interest earned on LEP balances held related entirely to cash holding of the Local Growth Fund, (LGF), and Getting Building Fund (GBF). LGF was fully exhausted, (as per the terms of the grant), by 31 March 2021, thereby LEP interest was only calculated against a diminishing GBF balance along with any holding of general LEP reserves. As a result, there was no budget set for 2023/24 and corresponding interest at the end of the financial year is £60k.

### Change Requests

- 4 The change requests recommended for approval by the Programme Review Board for projects in the Local Growth and Getting Building Fund programmes are shown in Appendix 3. Those in the Economic Development Fund programme are shown in Appendix 4.

#### *Banwell Bypass*

- 4.1 North Somerset Council are proposing the reallocation of £2.156m from Council Flagship within the Economic Development Fund programme to the Banwell Bypass project which is funded by Homes England's Housing Infrastructure Fund and Council contribution. The £97m scheme will enable the Council to deliver essential infrastructure that will support the delivery of current and future housing in the local area, including a bypass for the village of Banwell, online improvements to the local road network, upgrades to utility connections and flood management. The proposal would utilise the Council's EDF allocation for 23/24, to be drawn down in 25/26. A business case will be produced, drawing on the Homes England application, for consideration at the January Committee meeting.

#### **MetroWest Phase 2**

- 5 The MetroWest 2 scheme, which includes opening of 3 new stations at Ashley Down, North Filton and Henbury, is promoted by the Mayoral Combined Authority with an additional £2.295m funding contribution from North Somerset Council.
- 5.1 The key outputs MetroWest 2 will deliver are as follows:
- Three new railway stations – Ashley Down, North Filton and Henbury.
  - Extension of existing hourly Bristol Temple Meads to Filton Abbey Wood services to Henbury Station (Calling at Ashley Down and North Filton Stations)
  - Half-hourly (increased from hourly) service from Bristol Temple Meads to Gloucester.
- 5.2 The following are the primary benefits of the scheme:
- Metro West Phase 2 is expected to return £2 to the economy for every £1 spent.
  - 1.3 million people are expected to use the Phase 2 services each year, this will increase if MetroWest expansion continues and the connectivity of the new Phase 2 stations is further expanded.
  - Phase 2 is expected to save people 7 million minutes in travel time each year.
  - By 2030 Phase 2 is expected to be removing 3 million kilometres from the road network, based on the average petrol car today this is equivalent to over 500 tons of CO<sub>2</sub> each year.
  - The new stations will support over 8,500 thousand new homes.
  - As well as housing North Filton Station will directly serve Bristol's new 17,000 seater YTL Arena, one of the largest multipurpose venues in the UK.
- 5.3 At the Joint Committee in January 2023, £13.811m of project funding from the Economic Development Fund was approved for stage 1 of the project, which included construction of Ashley Down Station. This formed part of a total project funding draw-down of £31.913m. The project team remain on target to deliver the stage 1 scope within this funding allocation.

5.4 At the same Joint Committee in January 2023, a total project funding allocation from Economic Development Fund of £45.666m was approved. This formed part of a total project budget and funding allocation of £72.613m. The £20.21m of Economic Development Funding being requested to support stage 2 of the project is contained within and is in accordance with the total funding allocation agreed in January 2023.

5.5 The following table shows the proposed profile of funding between the 3 project stages.

Funding Type	Stage 1 Funds awarded (£m)	Stage 2 additional award requested (£m)	Stage 3 remaining funding allocated (£m)	TOTAL (£m)
Local Growth Fund	3.20	-	-	3.20
Economic Development Fund	13.81	20.21	11.65	45.67
Local Authority Public Match Revenue	1.10	-	-	1.10
Investment Fund / Transforming Cities Fund	13.66	-	6.25	19.91
Local contribution - North Somerset Council	-	-	0.30	0.30
Section 106 (Public Match Revenue)	-	-	2.30	2.30
Great Western Railways	0.14	-	-	0.14
<b>TOTAL</b>	<b>31.91</b>	<b>20.21</b>	<b>20.49</b>	<b>72.61</b>

5.5 At the CEOs meeting on the 9th August 2023, a revised North Filton Station procurement strategy was approved. This strategy includes an open market tender to support the remaining detailed design and construction phases of North Filton Station project. To instigate the procurement exercise and give confidence to the market that funded will be in place, Joint Committee approval is being sought to draw-down the existing funding allocation for North Filton Station detailed design and construction and Henbury Station detailed design, which were approved in January 2023, subject to stage 2 Full Business Case approval. The Stage 2 Full Business Case, which will reflect market prices for the detailed design and construction of North Filton Station, won't be issued until market tenders have been returned in spring 2024. At this point the Full Business Case will be submitted and recommended for approval by the West of England Mayoral Combined Authority Director of Infrastructure in consultation with the Directors of Infrastructure of the constituent Councils.

5.6 A final stage 3 Full Business Case and funding draw-down will be requested by spring 2025 for approval upon the completion of the Henbury Station detailed design and following receipt of market prices for the construction phase.

## Consultation

6 Consultation has been carried out with the Chief Executives, West of England Section

151 Officers and the Mayoral Combined Authority Monitoring Officer. The change requests set out in Appendix 3 and 4 were considered at the August meeting of the Programme Review Board, involving the Combined and Unitary Authority Directors and S73/S151 officers, and were recommended to Committee by the Board for approval.

### **Other Options Considered**

- 7 Value for Money and appropriate use of resources are constantly considered when allocating, monitoring and managing all revenue and capital budgets.

### **Risk Management/Assessment**

- 8 This report forms a core part of the governance and risk management process. The forecasts presented in this report take account of known financial risks and their potential impact on the financial position. The West of England Office agreement underpins the LEP; a Memorandum of Understanding between the four West of England UAs underpins the IBB service. These agreements deal with the risk sharing mechanisms between the four West of England councils. For all other WoE budgets administered by the Mayoral Combined Authority, it acts as “agent” with a straight pass through of funding and related costs.

### **Public Sector Equality Duties**

- 9 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.

- 9.1 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.

- 9.2 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.

- 9.3 There are no specific public sector equalities issues arising from this report although budget managers are reminded to consider how they could positively contribute to the advancement of equality and good relations.

## **Climate Change Implications**

- 10 Several of the specific LEP workstreams have a strong focus on improving climate change especially the Southwest Local Energy Hub, and One Public Estate. Where funds are allocated as grants to local businesses and organisations, the criteria used to prioritise funding allocations will incorporate climate improvement.

Report and advice reviewed and signed off by: Roger Hoare, Head of Environment

## **Finance Implications, including economic impact assessment where appropriate:**

- 11 The financial implications are contained within the body of the report. The LEP and IBB functions support the economic growth and vitality of the region.
- 11.1 MetroWest 2 – In the January 2023 Joint Committee North Somerset Council committed to identifying a funding source for their additional £0.3m local authority funding contribution, which is in addition to their £2m funding contribution which forms part of the total project EDF funding commitment.
- 11.2 The Mayoral Combined Authority will seek to replenish the additional local authority EDF funding commitments should alternative funding sources be identified.
- 11.3 Commitment to spend local authority EDF funding commitments are subject to local authority Full Council / Cabinet approvals.
- 11.4 An enhanced governance structure has been implemented across the West of England Mayoral Combined Authority's rail programme to ensure oversight of project delivery and budgets going forward on the basis of the additional funding allocations.
- 11.5 The economic appraisal of the scheme forecasts a Benefit-Cost Ratio (BCR) of 2.0:1. A BCR of greater than 2.0 represents 'High' value for money.

Report and advice reviewed and signed off by: Rachel Musson, Interim Director of Investment & Corporate Services.

## **Legal Implications:**

- 12 This report monitors how the Local Enterprise Partnership (LEP), and Invest in Bristol and Bath (IBB) revenue budgets are performing against the financial targets as set in January 2023 through the budget setting process.

Report and advice reviewed and signed off by: Daniel Dickinson, Interim Strategic Director - Legal Services

## **Human Resources Implications:**

- 13 Fixed term contracts are applied where staff are appointed against specific LEP grant funding streams that are time limited in nature.

Advice given by: Alex Holly, Head of Human Resources

## **Appendices**

Appendix 1: LEP Revenue Forecast Position  
Appendix 2: LEP Capital Forecast Position  
Appendix 3: Local Growth and Getting Building Fund Change Requests  
Appendix 4: Economic Development Fund Change Requests

**Background papers:**

LEP Revenue Budget Setting Report 2023/24 – Joint Committee 27 January 2023  
LEP Budget Monitoring Reports to Joint Committee throughout 2023

**APPENDIX 1**

**LEP Revenue Forecast as at 31st July 2023**



	<b>2023/24 Budget £000s</b>	<b>2023/24 Forecast £000s</b>	<b>Variance £000s</b>
<b>Core Staff and Related Overheads</b>	1,086	1,086	0
<b><u>Project Spend</u></b>			
Staff (A)	2,349	2,998	649
Services & Third-Party Payments (B)	3,882	9,945	6,063
Overhead (C)	562	704	142
<b>Total Expenditure</b>	<b>7,879</b>	<b>14,733</b>	<b>6,854</b>
<b><u>Income</u></b>			
UA Contribution	440	440	0
Other Government Grants (D)	6,792	13,602	6,810
RIF Admin Grant	112	112	0
DCLG Core and Capacity Grant (E)	375	250	-125
Interest (F)	0	60	60
Reserve (G)	160	204	44
<b>Total Income</b>	<b>7,879</b>	<b>14,668</b>	<b>6,789</b>
<b>Surplus / (Deficit)</b>	<b>0</b>	<b>(65)</b>	<b>(65)</b>

**Notes:**

A - Direct result of the additional grants in Figure 2 of this report.

B – Direct result of the additional grants in Figure 2 of this report.

C - Direct result of the additional grants in Figure 2 of this report.

D – See Figure 2 of the report for Breakdown.

E – In June 2023 confirmation on the arrangements for 2023-24 LEP Core Funding was reduced to £250k.

F – Grants relating to LEP which form part of our overall cash balances that are invested.

G - See Figure 3 of the report for Breakdown.

## LEP Capital Forecast as at 31st July 2023

	2023/24 Forecast £'000s
Low Carbon Challenge - ERDF	440
A4018 Corridor Improvements	4
Weston Business Quarter	9,576
Bath Fashion Museum	190
Net Zero Hub	19,025
MetroWest	16,284
<b>Total Expenditure</b>	<b>45,519</b>
Funded by:	
Low Carbon Challenge - ERDF	440
A4018 Corridor Improvements - EDF	4
Weston Business Quarter - RIF	9,576
Bath Fashion Museum - RIF	190
Net Zero Hub - DESNZ	19,025
MetroWest - EDF	16,284
<b>Total Government Grants</b>	<b>45,519</b>
<b>Net Position</b>	<b>0</b>

## APPENDIX 3

### Change Requests Seeking Approval from Committee - Local Growth Fund, Getting Building Fund and Revolving Infrastructure Fund

<b>Project</b>	<b>Cribbs Patchway Metrobus Extension</b>	
<b>Funding awarded</b>	£47.2m	
<b>Source:</b>	Local Growth Fund (LGF), IF, Transforming Cities Fund (TCF) and Economic Development Fund (EDF)	
<b>Cost/ Spend:</b>	Reduction of £2.4m in EDF funding and overall cost. Reprofiling £2.01m EDF from 23/24 and 24/25 into 25/26 Revised EDF profile: pre 21/22 £858k, 21/22 £1.010m, 22/23 - £1.010m, 23/24 £742k, 24/25 £1m, 25/26 £2.01m total £4.612m	
<b>Stated reason for change:</b> The risk register has been reviewed following the substantial completion of construction activities, and unrealised construction phase risks have been closed, giving the opportunity to declare a saving of £2.4m.		

<b>Project</b>	<b>MetroWest Phase 2</b>	
<b>Funding awarded</b>	£30.674m awarded plus £38.1m allocated, total £68.774m	
<b>Source:</b>	LGF, EDF, IF and TCF	
<b>Cost/ Spend:</b>	No change to overall funding Reprofiling £4.305m EDF from 23/24 -24/25 to 25/26 Revised EDF profile £8.6m 23/24, £5.489m 24/25 and £31.577m 25/26, total £45.666	
<b>Milestones:</b>	Delay of up to 6 months across several milestones including Operation of North Filton/Henbury stations by 6 months (to Sep 26). Bringing forward FBC approval for stage 2 North Filton by 9 months to Oct 23 and additional milestone of FBC for stage 3 Henbury (Mar 25)	
<b>Stated reason for change:</b> Revision to the procurement strategy for North Filton station, delay to the Henbury station planning application and additional float built into the overall project schedule. The original plan was to procure Network Rail to oversee the detailed design and delivery of North Filton and Henbury station as a package. A new procurement strategy has been agreed which includes procuring North Filton Station and Henbury separately and contracting North Filton Station on a 'design and build' basis. Henbury station planning submission was delayed by final changes to the access road layout, as a result of stakeholder feedback, which had to be reflected in new versions of the complex flood risk model and final landscaping design.		

<b>Project</b>	<b>IAAPS - Institute for Advanced Automotive Propulsion Systems</b>	
<b>Funding awarded</b>	£10m	
<b>Source:</b>	LGF	
<b>Cost/ Spend:</b>	No change to overall funding or profile	
<b>Milestones:</b>	8-month delay to Establish IAAPS Advisory Board (Jul 23 to Mar 24)	
<p><b>Stated reason for change:</b> The establishment of an IAAPS advisory board has been delayed due to the increased and accelerated diversification of sectors engaging with IAAPS since opening and a need to review the proposed membership.</p>		

### Change Requests Seeking Approval from Committee – Economic Development Fund

<b>Project</b>	<b>Avonmouth Severnside Ecology Mitigation and Flood Defences</b>	
<b>Funding awarded</b>	£63.9m	
<b>Source:</b>	EDF	
<b>Cost/ Spend:</b>	No change to overall funding Reprofiling forward £8.866m of EDF into 23/24 from 24/25 and 27/28 Revised EDF profile pre 22/23 £20.63m, 22/23 £18.71m, 23/24 £24.03m, 24/25 £209k, 27/28 £308k, total £63.9m Reallocation of spend across cost headings	
<b>Milestones</b>	8 months delay to Main Construction Works – Flood Defences & Wetland Areas (to Nov 24)	
<p><b>Stated reason for change:</b> Over the last year the contractor's cost and project forecast outturn has increased. The contractor's risk in some areas had been underestimated and had not included critical path implications. Inflation has also been higher than anticipated. This has led to an increase in contractor forecast and drawdown of residual allowance. The overall programme has also been extended to cover remedial works, although it is likely that some of this can be mitigated by descoping additional work.</p>		

<b>Project</b>	<b>Thornbury High Street Public Realm</b>	
<b>Funding awarded</b>	£4.577m	
<b>Source:</b>	EDF and TCF	
<b>Cost/ Spend:</b>	Increase of £626,757 to overall funding through EDF Revised profile £1.323m (£400k TCF, £923k EDF) 22/23, £3.881m EDF 23/24, total £5,203,757 Reallocation of spend across cost headings	
<p><b>Stated reason for change:</b> The project team have conducted a comprehensive review of all associated costs that has culminated in an adjustment to the total base costs of implementation, resulting in an increase of £626,757. This has come about primarily following review and amendment of designs with stakeholders (including the Equalities Group) and changes to detailed design during construction.</p>		

<b>Project</b>	<b>Kingswood Regeneration Programme</b>
<b>Funding awarded</b>	£8.680m
<b>Source:</b>	IF/EDF
<b>Cost/ Spend:</b>	Reprofiling £3.05m from 23/24 to 24/25 and 25/26 Revised EDF profile £848k pre 22/23, £94k 22/23, £3.487m 24/25 and £2.638m 25/26, total £7.067m Revised IF profile £590k 22/23, £650k 23/24 and £373k 24/25, total £1.613m
<b>Milestones:</b>	Delay of 8 months for Pedestrianisation start of construction (to Sep 24) and 12 months for Tabernacle End of Construction (to May 25).
<b>Stated reason for change:</b> Increased public engagement to reduce the risk for Traffic Regulation Orders. Tabernacle works delayed because of changes related to agreements with an adjoining developer plus some delays owing to revised procurement route.	

## **Glossary of Terms:**

BEIS	Department for Business, Energy and Industrial Strategy
CEC	Careers and Enterprise Company
DCMS	Department for Culture, Media and Sport
DESNZ	Department for Energy Security and Net Zero
DfE	Department for Education
DLUHC	Department for Levelling Up, Housing and Communities
EDF	Economic Development Fund
ERDF	European Regional Development Fund
ESIF	European Structural and Investment Funds
IBB	Invest Bristol and Bath
IF	Investment Fund
LEP	Local Enterprise Partnership
LGF	Local Growth Fund
OPE	One Public Estate
RIF	Revolving Infrastructure Fund
TCF	Transforming Cities Fund

