

**WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE**

**14 JUNE 2019**

**REPORT SUMMARY SHEET**

**INVESTMENT FUND**

**Purpose**

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

**Recommendations**

Members of the Combined Authority Committee are asked to:

- 1. Approve the Investment Fund scheme assessment criteria shown in Appendix 2.**
- 2. Approve an overall funding envelope of £350m, (Investment Fund and Transforming Cities Fund), for the period up to March 2023.**
- 3. Approve the Full Business Case for the CPPN Cycle Links Package subject to concluding all land agreements.**
- 4. Approve the Full Business Case for Realising Talent project subject to the supply of a detailed cost breakdown, risk register and finalisation of the Monitoring and Evaluation Plan.**
- 5. Approve the Full Business Case for the South West Institute of Future Technologies and award of £500,000 from the Investment Fund.**
- 6. Approve the Full Business Case for the Cribbs Patchway MetroBus Extension and award £21.9m of Investment Fund subject to supply of a detailed elemental cost breakdown for the highway works and securing all necessary land.**
- 7. Approve the allocation of £20m to Quantum Technologies Innovation Centre+ project and the underwriting of a further £14.974m subject to Full Business Case and necessary due diligence.**
- 8. Approve the Outline Business Case for Bristol Temple Meads Eastern Entrance and award of £2.5m of funding through the Investment Fund as set out in the Feasibility and Development Funding Application.**
- 9. Approve the Outline Business Case for the Somer Valley Enterprise Zone and award of £746,000 of funding through the Investment Fund to develop the Full Business Case.**

- 10. Approve the Outline Business Case for the Bath River Line and award of £150,000 of funding through the Investment Fund to develop the Full Business Case.**
- 11. Approve the Outline Business Case for MetroWest Phase 2 and award of £3.519m to develop the FBC noting the need to enhance the BCR to at least 2 by FBC stage.**
- 12. Approve a further £900,000 to develop a Full Business Case for Charfield Station.**
- 13. Allocate £1.3m to the WE Work for Everyone project subject to business case and securing ESF.**
- 14. Allocate £250,000 to the Research and Innovation Challenge Fund subject to business case and securing ERDF.**
- 15. Allocate £30,000 to develop a Full Business Case for the South Bristol Enterprise Support and Workspace subject to approval of a Feasibility and Development Funding Application.**
- 16. Allocate £500,000 to develop Outline Business Cases for Strategic Park and Ride subject to approval of a Feasibility and Development Funding Application.**
- 17. Allocate £200,000 to develop Outline Business Cases for the Bus Strategy and Deal subject to approval of a Feasibility and Development Funding Application.**
- 18. Allocate £250,000 to develop business cases for the Energy Strategy – Climate Change Action Plan subject to approval of a Feasibility and Development Funding Application.**
- 19. Allocate £150,000 to the Bristol Housing Festival subject to business case.**
- 20. Allocate £300,000 to Bristol Parkway Station Bus/Rail Interchange Enhancements subject to approval of a change request for the Cribbs Patchway MetroBus Extension project.**
- 21. Approve the principle of WECA managing the financial risks for projects which are led and delivered by WECA with individual councils carrying the financial risk for any specific schemes that they lead on, and deliver, within their specific area**
- 22. Approve the changes for schemes within the Investment Fund programme shown in Appendix 3.**
- 23. Approve the potential with-holding of an element of the £50m approved Land Acquisition Fund should overall financial commitments exceed the sum of funding available up to March 2023.**

**Contact officer:** Malcolm Coe

**Position:** Director of Investment and Corporate Services

**Email:** malcolm.coe@westofengland-ca.gov.uk

**ITEM: 13**

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY**

**DATE: 14 June 2019**

**REPORT TITLE: INVESTMENT FUND**

**AUTHOR: MALCOLM COE, DIRECTOR OF INVESTMENT AND CORPORATE SERVICES**

**Purpose of Report**

1. To seek approval for Investment Fund Feasibility and Development and delivery funding, and for change requests for schemes within the current approved programme.

**Background**

2. The West of England Devolution Deal secured £900m for the creation of an Investment Fund forming part of a wider investment programme for the region. Aligned to regional strategies, the objective for this investment programme is to boost and strengthen economic growth in the West of England Combined Authority area through delivering:
  - Effective, resilient infrastructure;
  - World class skills for employment; and
  - Businesses that succeed
3. Government have set out how they expect funding arrangements for the Investment Fund to provide due transparency, accountability and ensure value for money. In line with the delegation made at the WECA Committee in February 2019, the West of England assurance framework has been [revised](#) to reflect this new guidance to embrace both Single Pot and LEP funding.

**Investment Fund Programme**

4. The Committee have previously approved a number of Investment Fund funding awards or allocations. A summary of the schemes with approved funding is provided in Appendix 1. The Capital Strategy report considered in February 2019 set out the planned approach to establishing a thematic 20 year programme aligned and integrated with regional priority outcomes and objectives as detailed within the published WECA Operating Framework.
5. Work on developing this thematic programme continues and it is planned that a report will be presented to this Committee in July. In the interim there is a need to make a number of investment decisions to enable progress to be made on a several key schemes. Those

which are new to the programme have been subject to assessment against a proposed set of key criteria including the way in which they support economic growth and other WECA objectives, strategic fit and deliverability. These assessment criteria are shown in Appendix 2 for adoption by the Committee.

6. Within the indicative 20 year investment programme, it is important to be able to match income cash flow with the requirement to spend to ensure affordability. The Transforming Cities Fund, (of £103m), has to be fully utilised by March 2023 and applying the same time frame to the available funding through the Investment Fund would generate income of £210m. Therefore, all financial decisions to be considered within this report, and the July 2019 Investment Fund committee, should be within the context of a short to medium term investment programme with funding of £313m up to March 2023.
7. Previous experience indicates that, despite best endeavours, major capital programmes invariably have an element of slippage in terms of delivery. With this in mind, the WECA statutory finance officer has approved a level of structured over programming to provide overall funding for the period of £350m. This represents a 12% excess over known funding available which is comparable with the approach taken in managing the Local Growth Fund programming for the region.
8. A Summary of the approved and allocated funding across the Investment Fund and Transforming Cities Fund is shown below which updates the figures reported to WECA Committee in February 2019. These totals include the proposed awards and allocations included in this report

<b>Summary Table for Investment Programme to 2023</b>	<b>£m</b>
Approved to June 2019	21.70
Tail for Awards to June 2019	24.87
Allocations up to June 2019	44.97
Proposed Awards at this Committee	30.64
Proposed Allocations at this Committee	43.99
Tail for Awards and Allocations at this Committee (to 22/23)	86.89
Total Awards, Allocations and Tail	253.06
Budgeted Resources up to 2023 (+ 12% over-programme)	350.00
Balance	<b>96.94</b>

9. For each allocation and award, an allowance needs to be accounted for in terms of the subsequent costs for final delivery of the full scheme. For example, early allocations are primarily for development and feasibility funding – but consideration has to be given for the costs of full business case formation and construction spend based on best estimates at any given point in time. This is referred to as the ‘tail’ to the current, and proposed, financial awards and allocations. We have reviewed and challenged the associated ‘tails’ of all schemes within

the programme up to 2023 and formed an opinion on the most likely level of spend that will be incurred over the next four years. This financial position will be kept under constant review with any material updates to be reported back to Committee.

#### *Full Business Cases*

10. Development funding of £200k to progress the Cribbs Patchway Cycle Links project as an Early Investment Opportunity was awarded at the WECA Committee in November 2017 and an Outline Business Case for the scheme was approved by the Committee in November 2018. A Full Business Case (FBC) has now been submitted by South Gloucestershire Council

- **CPPN Cycle Links Package** – a package of 5 cycle schemes aimed at increasing use of active modes and which form a key element of a comprehensive sustainable transport package for the Filton Enterprise Area and Cribbs/Patchway New Neighbourhood. The implementation of the schemes is planned to commence in September 2019 and be completed by January 2021.

This is a £3.125m project with full funding sought from the Investment Fund. The cost has increased from £2m at Outline Business Case as a result of the inclusion of a wider package of schemes. The scheme Assessment Summary Table is shown in Appendix 4 and the FBC has been published on the WECA [website](#).

*Recommendation to approve the Full Business Case for the Cribbs Patchway Cycle Links subject to concluding all land agreements.*

11. An allocation of £4.5m was made at the WECA Committee on September 2018, for a Skills Innovation Fund aimed at supporting SMEs to improve their skills and workforce planning processes and to enable quality engagement between businesses and skills providers. This could match with £4m of European Social Fund resource. Of the £4.5m, £500,000 was identified to address Pre-NEETs (Not in Education, Employment or Training) and an FBC has now been submitted by Bath and North East Somerset Council for this element.

- **Realising Talent: Early Intervention and Support for Potential Pre-NEETs** - the project will establish a dedicated children's hub to support 240 14 – 16 year olds across two cohorts in Bath and North East Somerset, Bristol and South Gloucestershire. It will target and support through early intervention identified young people who can be predicted to become NEETs Post 16. The scheme Assessment Summary Table is shown in Appendix 5 and the FBC has been published on the WECA [website](#).

*Recommendation to approve the Full Business Case for Realising Talent project subject to the supply of a detailed cost breakdown, risk register and finalisation of the Monitoring and Evaluation Plan.*

12. The Department for Education (DfE) seeks to create a nationwide network of 10-15 prestigious Institutes of Technology to support of the Government Industrial Strategy (2017) ambition to “Build a Britain fit for the future” by investing in the skills, industries and infrastructure of the future. Weston College has led a collaboration which has drawn together 11 employers and five education institutions (FE and HE) to create the South West Institute of Future Technologies (SWIFT). An FBC has been submitted for support for this initiative.

- **South West Institute of Future Technologies** – the project will involve the co-designing and co-developing a range of new technical higher skills and training programmes to support economic growth in priority industry sectors of Health & Life Sciences; Advanced Engineering & High Value Manufacturing, and Creative, Digital

& High-Tech. Funding of £13.95m has been secured from the DfE to deliver the capital elements which will deliver 5,247m<sup>2</sup> of refurbished College estate and 400m<sup>2</sup> of new build facilities across the SWIFT partners. The revenue funding sought will complement partner contributions for the development and early years operation of SWIFT. Funding options are presented with £2m of funding identified by the College as the preferred option, but the recommended award is £500,000. The scheme Assessment Summary Table is shown in Appendix 6 and the FBC has been published on the WECA [website](#).

*Recommendation to approve the Full Business Case for the South West Institute of Future Technologies and award of £500,000 from the Investment Fund.*

13. The Cribbs Patchway MetroBus Extension was included in the Economic Development Fund (EDF) programme in 2014. An FBC has been submitted by South Gloucestershire Council seeking funding from the Investment Fund to supplement the EDF allocation.

- **Cribbs Patchway MetroBus Extension** – this project will provide an extension to the current MetroBus network and link Bristol Parkway Station and The Mall Bus Station via the Cribbs Patchway New Neighbourhood (CPNN) re-development site at the former Filton Airfield, the Horizon 38 development site, Gipsy Patch Lane and Hatchet Road. The scheme includes the replacement of the existing railway bridge on Gipsy Patch Lane with a new wider bridge to relieve the existing pinch point, the extension and signalisation of the San Andreas roundabout, and bus lanes on Gipsy Patch Lane. Metrobus stops and walking/cycling infrastructure are also included.

This is a £56.9m project with £35m sought from the EDF and £21.9m sought from the Investment Fund. The scheme Assessment Summary Table is shown in Appendix 7 and the FBC has been published on the [WECA website](#).

*Recommendation to approve the Full Business Case for the Cribbs Patchway MetroBus Extension and award £21.9m of Investment Fund subject to supply of a detailed elemental cost breakdown for the highway works and securing all necessary land.*

#### **Quantum Technologies Innovation Centre (QTIC) +**

14. A [draft Full Business Case](#) has been submitted which extends the scope of the QTIC project on the Temple Quarter Enterprise Campus which secured Local Growth Fund (LGF) programme entry in 2017. This seeks up to £20m from the Investment Fund in addition to the £14.97m of LGF. The project reports that securing full planning consent (which would be required for Full Business Case approval) is expected in December 2019 and it is proposed the business case is resubmitted at this time.
15. Given timescales for spend, it is also proposed that the £14.97m of LGF is reallocated to the emerging UK Shared Prosperity Fund (UKSPF). However, as the form, timing and amount of funding through UKSPF cannot be guaranteed at this time this would need to be underwritten by the Investment Fund, alongside the proposed new allocation.

*Recommendation to approve the allocation of up to £20m to Quantum Technologies Innovation Centre+ project and the underwriting of a further £14.974m subject to Full Business Case and necessary due diligence.*

### **Outline Business Cases**

16. The following Outline Business Cases (OBC) have been submitted for consideration:

- **Bristol Temple Meads Station Eastern Entrance** – WECA have produced an OBC seeking £26.645m to develop and deliver a new eastern entrance to Temple Meads station and into Temple Quarter. The entrance will extend the existing passenger subway, used to access platforms, directly through to the development site on Cattle Market Road, where the University of Bristol plans its new Temple Quarter Enterprise Campus. The rationale for expediting this scheme is to take advantage of the existing planned rail closure for Bristol East junction which would provide a window for the scheme and reduce costs. The development phase costs are £2.5m over 19/20 and 20/21. The OBC is published on the WECA [website](#).

*Recommendation to approve the Outline Business Case and award of £2.5m of funding through the Investment Fund as set out in the Feasibility and Development Funding Application.*

- **Somer Valley Enterprise Zone** – Bath and North East Somerset Council have submitted an OBC for a £12.13m project to bring forward seeking the delivery of 13.5 hectares to the west of Midsomer Norton on the A362. Somer Valley was allocated Enterprise Zone status in April 2017 and is anticipated to deliver a development mix up to 40,000m<sup>2</sup> of mixed commercial space. The OBC seeks £746k to co-fund the £1.151m development phase, and £10.787m towards the £10.979 implementation phase which would involve land acquisition, off site utilities, on site infrastructure and a cycle path linking the Enterprise Zone with Midsomer Norton. The OBC is published on the WECA [website](#). A separate OBC is in development related to the highways infrastructure which was previously identified as an Early Investment Opportunity.

*Recommendation to approve the Outline Business Case and award of £746,000 of funding through the Investment Fund to develop the Full Business Case.*

- **Bath River Line** – Bath and North East Somerset Council have submitted an OBC seeking £3.65m to develop (£150k) and deliver (£3.5m) the Bath River Line which aims to create a continuous and high quality 5km walking and cycling connection linked to improved spaces and access points. The project comprises 5 elements, namely Pulteney Bridge Public Realm, Pultney Radial Gate, Stadium for Bath Riverside Public Realm, North Parade Bridge - Ferry Lane Improvements, and capital works from Bath Quays Waterside to Newbridge. The opportunity for match funding of £4.8m is identified. The OBC is published on the WECA [website](#).

*Recommendation to approve the Outline Business Case and award of £150,000 of funding through the Investment Fund to develop the Full Business Case.*

17. Following award of funding from the Local Growth Fund to develop the project, an OBC has been submitted by South Gloucestershire Council for MetroWest Phase 2. The project seeks to draw on funding from the City Deal 10 year transport allocation, or EDF together with the Investment Fund.

- **MetroWest Phase 2** – this scheme includes delivery of infrastructure and passenger train operations to provide:
  - A half hourly service for Yate local station on the Bristol Parkway to Gloucester line, through the provision of an additional service between Bristol Parkway and Yate.

- An hourly service for a reopened Henbury Line with new stations at Henbury and North Filton. A new station will also be constructed at Ashley Down, on the existing Filton Bank (between Filton Abbey Wood and Stapleton Road).

This is a £54.163m project (£48.225m capital and £5.938m revenue) with £36.5m of funding sought through the devolved 10 year allocation of major schemes funding awarded through the City Deal. Until this funding is confirmed it is assumed this is underwritten by the EDF. A total of £11.063m is also sought from the Investment Fund of which £5.125m is capital and £5.938m is revenue. Of this £3.519m is sought from the Investment Fund to progress to FBC. The scheme Assessment Summary Table is shown in Appendix 8 and the OBC has been published on the WECA website ([business case](#) and [appendices](#)).

The current transport Benefit to Cost Ratio (BCR) for the scheme is 1.884 whilst the expectation is for a BCR of at least 2. It is noted that there are a number of options to improve the BCR by FBC stage from information presented. For example, an element of descoping could provide a BCR which meets the required threshold.

It is planned that revised governance and delivery arrangements for Metrowest Phase 2 will be presented to the Committee in July, including a proposal for WECA to be scheme promoter.

*Recommendation to approve the Outline Business Case for MetroWest Phase 2 and award of £3.519m to develop the FBC noting the need to enhance the BCR to at least 2 by FBC stage.*

#### *Feasibility and Development Funding Applications*

18. The following scheme has submitted a Feasibility and Development Funding Application to progress with business case development.
  - **Charfield Station** – a development funding application was submitted by South Gloucestershire Council in January 2019 to undertake development work for the delivery of a new rail station serving Charfield and surrounding towns and villages. The WECA Committee in February 2019 awarded an initial £300k to enable works to progress with a total of £1.2m now identified to complete a Full Business Case. It is recommended that the balance of the funding is now awarded to enable the full scope of work to be commissioned.

*Recommendation to approve a further £900,000 to develop a Full Business Case for Charfield Station.*

#### *Funding Allocations*

### **WE Work for Everyone**

19. The 'WE Work for Everyone' project aims to offer a unified approach to improving employment outcomes for people with learning disabilities living in the area. Underpinned by the principles of specialist employment support and supported internships, the project will be designed to respond to the specific needs of people with learning disabilities from age 16. The project seeks to improve employment outcomes through a dedicated individualised approach which will comprise intensive specialist support and an education and enterprise infrastructure which many people with a learning disability need to help them work towards, find and retain paid employment.
20. Lasting for 3.5 years, the total value of the programme is £4.454m. Funding of £2.227m will be sought through a collaborative bid to the European Social Fund (ESF), led by Bristol City

Council on behalf of the four West of England authorities, together with a request of £1.3m from the Investment Fund and other secured match funding from local authority and Further Education sources of £927,000.

*Recommendation to allocate £1.3m to the WE Work for Everyone project subject to business case and securing ESF.*

### **Research and Innovation Challenge Fund**

21. An outline proposal seeking £1.95m of ERDF funding for a Research and Innovation Challenge Fund (RICF) was submitted by WECA in December. However, in April 2019, WECA was advised that there are insufficient funds in the programme to support the RICE project in full and WECA was asked to explore whether the project could be delivered with an ERDF allocation of £944k. This scaled-down version of the RICE could fund approximately 34 grants, which will be awarded to SMEs in the advanced engineering and digital innovation sector. Delivery of the RICE would be through the West of England Growth Hub, being best placed to maximise uptake through its longstanding business relationships and to develop synergies with existing funded programmes and support providers. It is anticipated that the delivery costs of the programme would be some £376k over three years of which the ERDF could meet some £126k leaving a shortfall of some £250k sought from the Investment Fund.

*Recommendation to allocate £250,000 to the Research and Innovation Challenge Fund subject to business case and securing ERDF.*

### **South Bristol Enterprise Support and Workspace**

22. A proposal has been received seeking £30k from the Investment Fund matched by Bristol City Council to develop an FBC for a new light industrial serviced workspace scheme adjacent to the Bottle Yard Studios in south Bristol. This workspace would be aimed at early stage and growing local businesses in a variety of sectors, including creative and media, construction, engineering, environmental and small-scale manufacturing. An integrated suite of enterprise coaching and support services would be provided at this site and via a network of existing business sites and community centres. It is planned this would be match funded by the European Regional Development Fund (ERDF).

*Recommendation to allocate £30,000 to develop a Full Business Case for the South Bristol Enterprise Support and Workspace subject to approval of a Feasibility and Development Funding Application.*

### **Strategic Park and Ride**

23. Funding is sought to progress key Park & Ride locations to OBC to support existing strategy and to integrate with plans for Mass Transit and Suburban Rail to include, but not necessarily limited to: Yate, Bristol North, Aztec West, A38 Lime Kiln Road. It is planned that three locations will be taken forward to OBC for approval of funds to support development of full business cases. Yate Park & Ride presents a strong case and this allocation will fund the business case development for this scheme to enable the full capital funding to be unlocked.

*Recommendation to allocate £500,000 to develop Outline Business Cases for Strategic Park and Ride subject to approval of a Feasibility and Development Funding Application.*

### **Bus Strategy and Deal**

24. Initial funding is sought to further develop regional plans to enhance bus services throughout the region, and to facilitate a Bus Deal with the bus operator. This work will incorporate existing outputs from the Greater Bristol Bus Network Schemes and the Bus Priority

Improvement Plan for Bath. The funding will establish an Outline Business Case of clear interventions that can then be taken forward to Full Business Case for capital funding.

*Recommendation to allocate £200,000 to develop Outline Business Cases for the Bus Strategy and Deal subject to approval of a Feasibility and Development Funding Application.*

### **Energy Strategy - Climate Change Action Plan**

25. Funding is required to develop key areas identified through the Energy Strategy: improving business and industry energy efficiency; improving homes through measures that decarbonise heat or enable the viability of carbon neutral development; accelerating the shift to low carbon transport; and clean, smart, flexible power. The funding will provide additional capacity to develop key themes and produce business cases for future funding.

*Recommendation to allocate £250,000 to develop business cases for the Energy Strategy – Climate Change Action Plan subject to approval of a Feasibility and Development Funding Application.*

### **Bristol Housing Festival**

26. Bristol City Council seek funding of £150,000 to develop the Housing Festival exhibition in 2018 to road-test a range of existing concepts and new, innovative solutions in a real-world scenario. The aim is to use this testing/piloting activity to inform how Modern Methods of Construction and innovation in housing will be scaled up across the West of England to make an impact on housing delivery, economic and inclusive growth. This project will assist in developing scalable and longer-term solutions to support local government to enable and direct better stewardship of land to create housing, places and communities that engender wellbeing. The aim is to foster innovation in construction, technology, social structures and governance.

*Recommendation to allocate £150,000 to the Bristol Housing Festival subject to business case.*

### **Bristol Parkway Station Bus/Rail Interchange Enhancements**

27. South Gloucestershire Council seek £300,000 to co-fund the £670,000 package of works led by Great Western Railway to improve interchange facilities at Parkway Station. Improvements will include new bus shelters for local bus services and new branded stops for metrobus including Real Time Information, an electronic information point and off bus ticket dispenser, changes to taxi and drop off provision and the remodeling of the station forecourt to allow the new bus stops and bus movements to be implemented.

*Recommendation to allocate £300,000 to Bristol Parkway Station Bus/Rail Interchange Enhancements subject to approval of a change request for the Cribbs Parkway MetroBus Extension project*

### **Changes to Schemes within the Programme**

28. The Investment Fund change requests submitted which are recommended for approval by the Committee are set out in Appendix 3.

### **Consultation:**

29. Engagement has taken place with officers in the West of England Combined Authority Constituent Unitary Authorities. Section 151 Officers across the region have been fully

engaged as have the Chief Executive Officers in helping to inform the prioritised projects for investment.

**Risk Management/Assessment:**

30. Specific risk assessments will be carried out as part of any feasibility studies for projects in development and business cases are required to set out the way that risks will be managed and a risk register. All projects underway will maintain a specific risk register as part of the project management and monitoring arrangements.
31. Financial risks for regional projects delivered through WECA will be managed through the overall programming of the Investment Fund and Transforming Cities Fund. Whereas respective authorities will carry the financial risk for any specific schemes that they lead on, and deliver, within their specific area.
32. Allocations and awards within this, and the subsequent July 2019 Investment Fund Committee report, will, potentially, result in the overall funding committed (over the short to medium term) being in excess of the £350m available. Should this occur, it is recommended that an element of the previously approved £50m for the Land Acquisition Fund is 'held back' until greater certainty on delivery and spend is known.

**Public Sector Equality Duties:**

33. For projects seeking funding through the Investment Fund scheme promoters are required to include as part of their Full Business Case, an equality and diversity assessment and plan. These assessments are published as part of the Business Case on the WECA website.

**Economic Impact Assessment:**

34. Supporting economic growth is central to this funding stream, and promoters are required to include an economic case within the FBC for each scheme which sets out how the project will create jobs and GVA growth as well as delivering wider benefits. In line with agreed processes these FBCs are published on the WECA website at the point of decision making.

**Finance Implications:**

35. The financial implications for each proposal are set out in the body of the report. The Investment Fund allocations and awards are accommodated within the overall spending limit of £350m available up to March 2023.
36. The WECA statutory finance officer will determine the appropriate use and apportionment of funding between the Transforming Cities Fund and Investment Fund within the overall funding available.
37. There will be a need to establish relevant resources and capacity, (from specific project budgets), where WECA is taking on lead responsibility for project delivery. This will be articulated and quantified within the July '19 committee report.

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

**Legal Implications:**

38. There are no additional legal implications arising from this report. Legality will be verified for individual projects through relevant due diligence prior to approving formal allocations.

Advice given by: Shahzia Daya, Monitoring Officer, WECA

The Committee is asked to:

1. **Approve the Investment Fund scheme assessment criteria shown in Appendix 2.**
2. **Approve an overall funding envelope of £350m, (Investment Fund and Transforming Cities Fund), for the period up to March 2023.**
3. **Approve the Full Business Case for the CPPN Cycle Links Package subject to concluding all land agreements.**
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- 22. Approve the changes for schemes within the Investment Fund programme shown in Appendix 3.**
- 23. Approve the potential with-holding of an element of the £50m approved Land Acquisition Fund should overall financial commitments exceed the sum of funding available up to March 2023.**

## **Appendices**

- Appendix 1: Current Investment Fund Programme
- Appendix 2: Scheme Assessment Criteria
- Appendix 3: Investment Fund - Requested Scheme Changes
- Appendix 4: CPPN Cycle Links Package – Assessment Summary Table
- Appendix 5: Realising Talent – Assessment Summary Table
- Appendix 6: SWIFT – Assessment Summary Table
- Appendix 7: Cribbs Patchway MetroBus Extension – Assessment Summary Table
- Appendix 8: MetroWest Phase 2 - Assessment Summary Table

## Appendix 1

## Current Investment Fund Programme

Investment Fund Programme £000s	Promoter	Funding	Project Output	17/18	18/19	19/20	20/21	Total	Project End Date
				Grant Claim	Current Profile				
<b>Feasibility Studies</b>									
Southern Orbital	BCC	Revenue	OBC	-	155	-	-	155	Closed
Mass Transit Phase 1	BCC	Revenue	FSR	-	276	79	-	355	Jun-19
Mass Transit Phase 2	WECA	Revenue	SOBC	-	-	150	-	150	Mar-20
East of Bath Strategic Link	B&NES	Revenue	Prospectus	20	-	230	-	250	Apr-20
A420 to Bath Highway Improvements	B&NES	Revenue	OBC	10	76	114	-	200	Nov-20
Bristol Temple Meads Masterplan	BCC	Revenue	FSR	-	460	1,540	-	2,000	Dec-19
Greater Bristol Area Rail Services Feasibility Study	WECA	Revenue	FSR	-	100	-	-	100	May 19
Talent Institutes	WECA	Revenue	FBC	-	14	86	-	100	Aug 19
B&NES Pilot High Streets Programme	B&NES	Revenue	FSR	-	15	265	-	280	Mar 20
Bedminster High Street Improvements	BCC	Revenue	FBC	-	-	160	115	275	Sep 20
Love Our High Steets Kingswood Pilot	SGC	Revenue	FSR	-	59	139	50	248	Nov 20
Visitor Economy	WECA	Revenue	FSR	-	7	13	-	20	Sep 19
Regional Tourism	WECA	Revenue	FSR	-	-	80	-	80	Apr 20
C Heath/West. & Frampton Cotterell/Winterbourne Bypasses	SGC	Revenue	FSR	-	1	199	-	200	Nov 19
Bath Transport Study	WECA	Revenue	FSR	-	TBC	TBC	-	TBC	TBC
WECA JSP Mitigations Outline Business Cases	B&NES	Revenue	OBCs	708	892	-	-	1,600	Apr 19
HIF Outline Business Case Temple Meads to Keynsham	WECA	Revenue	OBC	-	680	320	-	1,000	Jun 19
HIF Outline Development Work	WECA	Revenue	-	-	-	500	-	500	Jun 19
<b>Business Case Development Schemes</b>									
A37 to A362 Improvements – Somer Valley Enterprise Zone	B&NES	Capital	FBC	12	91	157	20	280	Jun-20
Hicks Gate Roundabout	B&NES	Capital	FBC	1	57	402	-	460	Dec 19
Hengrove - Housing Enabling Infrastructure	BCC	Capital	FBC	-	800	-	-	800	Oct 19
Hospitality & Catering Education Centre	Bath Coll	Revenue	FBC	-	170	25	-	195	Dec 18
Digital and Creative Innovation Centre	Bath Coll	Revenue	FBC	-	140	261	-	401	Mar 19
STEAM Centre SGS WISE	SGS Coll	Revenue	FBC	-	414	176	-	590	May 19
Charfield Station	SGC	Revenue	FSR	-	20	280	-	300	Aug 19
<b>Schemes with Programme Entry (Approved OBC)</b>									
Cribbs Patchway Cycle Links	SGC	Capital	FBC	19	126	35	-	180	Mar-19
Wraxall Road Roundabout Improvements and Signalisation	SGC	Revenue	FBC	25	65	1,598	-	1,688	Mar-20
Unlocking Lockleaze Development	BCC	Capital	FBC	-	437	68	-	505	Jul 19
Great Stoke Roundabout Capacity Improvements	SGC	Capital	FBC	5	247	298	-	550	May-19
<b>Delivery Schemes</b>									
Real Time Information System Upgrade	WECA	Capital	Scheme	-	465	94	-	559	Apr 19
<b>Total</b>				<b>800</b>	<b>5,767</b>	<b>7,269</b>	<b>185</b>	<b>14,021</b>	

FSR = Feasibility Study Report, OBC = Outline Business Case, FBC = Full Business Case/2nd Stage Skills Applic: Subject to approval of change request

Subject to approval of change request

## Appendix 2

### Proposed Investment Assessment Criteria

#### Gateway Criteria

		<b>Mandatory Requirement</b>	<b>Notes</b>
1	Is there a reasonable expectation that the project will deliver a strong GVA impact in comparison with cost? Does it deliver VfM?	Y	
2	Are there negative revenue implications? If so, can they be mitigated?	Y (capital projects only)	This question is not applicable to revenue projects. The aim is to avoid funding projects with an ongoing revenue requirement, where that requirement is not allowed for through other funding sources.
3	Is the funding State Aid compliant?	Y	
4	Does the project align with regional policy and strategy - JLTP, JSP and / or emerging themes from the Local Industrial Strategy and/or other Corporate strategies?	N	
5	Is there a rationale for public intervention?	N	Recognition that this could be market failure, programme or quality.
6	Have stakeholders been involved in developing this project, and/or do you have an ongoing stakeholder engagement plan in place?	N	
7	Is the project deliverable within the identified phasing?	N	
8	Does the project promote inclusive growth?	N	
9	Is the project total cost in excess of £1m?	N	
	<b>Pass, 7 out of 9</b>		

## Infrastructure Criteria

	Criteria		How assessed?	Weighting	Notes
1	What does the project deliver for GVA?	All Projects	Qualitative assessment of robustness of approach to quantum and certainty of outcome	4	
2	Does the project align with the JSP and / or the JLTP, Emerging LIS and/or other Corporate strategies?		Qualitative assessment of strategic alignment	2	
3	Does the project leverage third party and / or further government investment, or provide a financial return?		Quantified indication of identified or potential leverage funding / future income	3	Scoring based on % funding per £. 0= none, 1= up to 10%, 2=up to 30%, 3 = over 30%
4	Does the project support disadvantaged sectors, groups or communities?		Qualitative assessment of degree of impact in disadvantaged sectors, groups or communities	3	
5	Is the project utilising innovation to drive additional value?		Qualitative assessment of degree of additional outcome value derived from innovation	0.2	
6	Does the project enable housing growth in the region considering affordability and housing mix?		Quantitative assessment of housing & affordable housing enabled	1	
7	Digital – Does the project extend and / or enhance connectivity?		Quantitative assessment of new properties (domestic or business) connected and qualitative assessment of new technology deployed	1	
8	Modal shift – Does the project move traffic off the road to more sustainable alternatives?	Transport	Qualitative assessment of degree of impact	0.2	
9	Does the project reduce congestion and / or improve the resilience of the network in the medium and long term?		Qualitative assessment of degree of impact	0.2	
10	Does the project address / improve air quality in the medium and long term?		Qualitative assessment of degree of impact	0.2	
11	Does the project address / improve climate change in the medium and long term?		Qualitative assessment of degree of impact	0.2	
12	Does the project contribute to better health, wellbeing, safety and security?		Qualitative assessment of degree of impact	0.2	

## Business &amp; Skills Criteria

	Criteria		How assessed?	Weighting	Notes
1	What does the project deliver for GVA?	<b>Business &amp; Skills</b>	Qualitative assessment of robustness of approach to quantum and certainty of outcome	4	
2	Does the project align with the emerging Local Industrial Strategy key themes and/or other Corporate strategies?		Qualitative assessment of strategic alignment	3	
3	Does the project leverage third party and/or further government investment, or provide a financial return?		Quantified indication of identified or potential leverage funding / future income	3	Scoring based on % funding per £. 0= none, 1= up to 10%, 2=up to 30%, 3 = over 30%
4	Does the project support identified disadvantaged sectors, groups or communities?		Qualitative assessment of degree of impact in disadvantaged sectors, groups or communities	3	
5	What is the strength of partnership in place to effectively deliver the intervention?		Quantitative assessment of defined roles, partnership agreements, and strength of the partnership measures in place.	1	
6	Does the project enhance regional business productivity through any, or all of: <ul style="list-style-type: none"> <li>•supporting new start-ups or growth opportunities for existing firm, and specifically the region's 'long tail' of low-medium productivity firms?</li> <li>•creation of new technologies, products or services</li> <li>•Investments; in new physical capital and inward investment</li> <li>•increasing volume and value of exports, particularly among SMEs</li> <li>•creation of high value skills aligned with business need</li> </ul>		Qualitative assessment of degree of enhanced productivity through defined opportunities.	1	
7	Does the project create sustainable high-quality jobs?		Qualitative assessment of degree of impact	1	
8	Does the project deliver new office or industrial space in enterprise areas or priority growth locations?		Qualitative assessment of degree of impact	1	
9	Is the project scalable to deliver greater regional benefits?		Qualitative assessment of degree of impact	1	

	Criteria		How assessed?	Weighting	Notes
#	Does the project promote improved careers information and encourage experience of work? i.e. via advice and guidance services, via placements, traineeships, apprenticeships, and graduate placements?	Skills	Qualitative assessment of degree of impact	1	
#	Does the project promote in work progression (measured by increased earnings)?		Qualitative assessment of degree of impact	1	
#	Will the project contribute to reducing the gap between high and low earnings?		Qualitative assessment of degree of impact	1	
#	Does the project reduce levels of NEETs and worklessness and improve health and wellbeing outcomes in our poorest performing areas?		Qualitative assessment of degree of impact	1	

## Appendix 3

### Investment Fund Change Requests Recommended for Approval

- **High Streets: Bedminster** – Additional funding of £250k has been requested to upscale the project and enable pilot activities to be undertaken. Request to reprofile current £25k from 18/19 to 19/20 (revised profile 19/20 £160k, 20/21 £115k).
- **JSP Mitigation Outline Business Cases** – further delays of four months to Finalise Options Assessment Reports and for Completion of Outline Business Cases (both to Apr 19) and of five months for Completion of Analysis and Preferred Options Statement prepared (both to Apr 19).
- **Mass Transit (A)** – a one month delay to completion of Feasibility Study final report in Feb 19. Additional staff costs related to accounting and audit work have also resulted in a cost increase of £5k, with £79k of remaining funding planned for spend in 19/20.
- **Mass Transit (B)** – one month delay to milestone Assignment of Project Manager (to May 19).
- **East of Bath Strategic Link** – the project remains on hold as it is dependent on confirmation that DfT will mandate Highways England to undertake a Strategic Study. The project milestones are therefore subject to change.
- **A420 to Bath Highway Improvements** – OBC has been prepared and request for £13,829 to be reprofiled from 18/19 to 19/20 in case further work is required following the OBC review (total 19/20 £113,829).
- **Bristol Temple Meads Masterplan** – request to reprofile £428,889 from 18/19 to 19/20 to allow for works related to the delivery of the Masterplan to be undertaken (new 19/20 profile £1.540m). Reduction in Network Rail match funding of £1m.
- **A37 to A362 Improvements – Somer Valley Enterprise Zone** – a delay of 12 months to final milestone of FBC submission (May 20) and request to reprofile £38,614k from 18/19 to 19/20 and 20/21 (revised profile 19/20 £157,000, 20/21 £19,594).
- **Wraxall Road Roundabout Improvements and Signalisation** – reprofiling of £109,828 from 18/19 to 19/20 (revised profile £1,597,828 19/20).
- **Unlocking Lockleaze Development** – a two month delay to the final milestone of FBC submission (to Jul 19) and variation in cost categories with consultancy fees increasing and internal staff costs reducing to support the business case development. Request for £88,926k to be brought forward from 19/20 to 18/19 (revised profile for 19/20 £67,877).
- **Great Stoke Roundabout** – a five month delay to *Review of selected concept* and two month delays to both *Start of Phase 2* and Approval of re-submitted OBC, and a one month delay Commencement of consultation on initial design (all now Jan 19) although the final milestone of submission of the FBC has been brought forward by 9 months to May 19. Request to reprofile £48,310 from 18/19 or 19/20 (revised profile £298,680 19/20).
- **Hicks Gate Roundabout** – delays in modelling inputs from the JSP/JTS needed for a webTAG compliant business case have resulted in a four month delay to OBC Submission (to July 19) and reprofiling of £171,866 from 18/19 to 19/20 (revised 19/20 profile £401,866).
- **Hengrove Housing Enabling Infrastructure** – an 8 month delay to *Planning consent granted for Hengrove Park (to Sep 19)*, a 5 month delay to both *Detailed scheme design for highways infrastructure* and *FBC for highways (to Sep 19)* and a two month delay to the final milestone *Feasibility of non-highways infrastructure completed (to Oct 19)*.
- **Real Time Information System Upgrade** – Software issues and required configuration changes required have resulted in the delays to a number of interim milestones and a 3 month

delay to the final milestone Complete System Take Over into Business as Usual (to Apr 19). Request to reprofile £38,924k from 18/19 to 19/20 (revised profile £93,875 19/20).

- **Digital and Creative Innovation Centre** – delay of one month to Tender scheme design fees (to Feb 19) and 3 month delay to both Specialist digital consultation & Assistive technology consultation (to Apr 19) a result of time taken to agree on consultation approach.
- **STEAM Centre SGS WISE** – five month delay to *Complete RIBA Stage 3 Design and submit planning* (to Apr 19) with revised 18/19 spend profile of £174k and remaining budget to 19/20.
- **HIF Outline Business Case Temple Meads to Keynsham (A)** – a request for the remaining budget of £320k to be carried forward from 18/19 to 19/20 to allow for officer and consultant time to respond to Government.
- **Talent Institutes** – one month delay to *Testing and development of options before final selection of favoured option for each institute* (to Jun 19) and £25,830 reprofiled from 18/19 to 19/20.
- **High Streets: Kingswood** – 7 month delays to Feasibility Study for Kingswood Park and Submission of HLF for Kingswood Park (to Mar 20) and 1-2 month delays to a number of other milestones. Reprofile of spend of £59k from 18/19 to 19/20 requested (revised profile of £198k 19/20, £50k in 20/21).
- **Greater Bristol Area Rail Services** – one month delay to final milestone of Phase 2 complete / Feasibility Study final report (to May 19).
- **Visitor Economy** – project on hold pending potential announcement of a Tourism Sector Deal, details of which would inform the next steps for the project. Likely milestone slippage to be reported and £13k to be reprofiled from 18/19 to 19/20 (revised profile £13k 19/20).
- **Regional Tourism** – delay of 4 months to all interim milestones and of 8 months for Project closure final report (to Apr 20), with project spend reprofiled to 19/20.
- **Charfield Station** – one month delays to Project Commencement (to Mar 19) and to Commissioning of Network Rail (to Apr 19), although there is no impact on the overall project timescales.
- **Coalpit Heath/Westerleigh & Frampton Cotterell/Winterbourne Bypasses** – delay of one month to Appraisal Specification Report (to Apr 19) and request to reprofile £19k from 18/19 to 19/20.
- **CPNN Cycle Links** – reduced funding requirement due to cost savings achieved through the use of consultants on multiple projects (original allocation £200k, actual £180k), with £34, 648 reprofiled from 18/19 to 19/20.

## Appendix 4 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
<b>Project Name</b>	CPNN Cycle Links Package	<b>Strategic Case</b>	<p>The Cribbs/Patchway New Neighbourhood (CPNN) Cycle Links scheme is reported as a key component of a comprehensive sustainable transport package for the Filton Enterprise Area and CPNN. The package aims to enhance connectivity to jobs and housing, improve transport connections and stimulate economic growth. The elements have been designed to fit with available developer masterplans for CPNN to ensure the provision of high quality cycle improvements to and through the development.</p> <p>It is stated that the schemes are strongly supported by the South Gloucestershire Cycle Strategy and fit with five transport objectives in the emerging JLTP4.</p> <p>The CPPN is set to provide 5,760 new homes and 50 hectares of employment land. It is stated that whilst a network of walking and cycling routes will be provided by developers it is also necessary to provide improved connections to CPPN from nearby existing residential and employment areas.</p> <p>The strategic case for the project is well made.</p>	<b>Funding Source(s)</b>	Investment Fund
<b>Scheme Promoter</b>	South Glos Council	<b>State Aid</b>	The project will deliver open access public infrastructure.	<b>Approval Requested</b>	Full Business Case

## ITEM 13

<b>Date of Submission</b>	13/3/19	<b>Economic Case and Value for Money</b>	<p>The cost has increased from £2m at OBC as a result of the inclusion of a wider package of schemes.</p> <p>The economic case is underpinned by the contribution this package makes as a proportion of the overall infrastructure requirement to enable Cribbs Patchway New Neighbourhood. Using this methodology gives net impacts of 63 jobs, 58 homes, £18.6m of GVA and £1.95m of land value uplift (2010 prices and values). This equates to a cost per net job of some £49k.</p> <p>Active Mode Benefits of £14.7m are reported based on the DfT toolkit yielding a 'very high' BCR of 7 related to active mode impacts.</p> <p>A letter has been provided from the S151 officer which confirms responsibility and accountability for ensuring good value for money in the use of public resources.</p>	<b>Grant Award</b>	£3.215m (beyond previously awarded £200,000 for development phase)
<b>Funding Requested</b>	£3.125m (Project Management £284k, Design & Preparation £362k, Scheme Build £1.452m, Contingency & Other Costs £1.027m)				
<b>Total Scheme Cost</b>	£3.125m (with grant spend 2019/20 to 2020/21)	<b>Risk</b>	<p>The project costs include a contingency of £808k equating to 26% of costs.</p> <p>A risk register has been provided.</p>	<b>Grant Recipient</b>	South Glos Council
<b>Match Funding %</b>	0%	<b>Delivery</b>	<p>The project is reported to have reached detailed design equivalent to RIBA Stage 3.</p> <p>Planning consent is not required but a number of land agreements are needed which are reported to be well advanced.</p> <p>It is reported that construction on the first of the elements could start in September 2019 with project completion in January 2021.</p>	<b>Payment Basis</b>	Quarterly in arrears on defrayed expenditure

**ITEM 13**

<b><i>Scheme Description</i></b>	<b><i>Recommendation to Joint Committee</i></b>	Approval subject to conditions
<p>The package includes the delivery of the following five schemes:</p> <ul style="list-style-type: none"> <li>• Hayes Way Cycle Path</li> <li>• Catbrain Hill Surface improvement</li> <li>• Patchway Station to A38 link</li> <li>• A4018 NCN improvements</li> <li>• Church Road contraflow</li> </ul> <p>The schemes will provide improvements to the east of the CPNN development site building on those delivered or planned through the LGF Sustainable Transport Package programmes.</p>	<b><i>Conditions of Approval</i></b>	1) Concluding all necessary land agreements.

**Record of Approval**

<b><i>WECA S151 Officer</i></b>		<b><i>WECA Committee</i></b>	
<b><i>Name</i></b>	Malcolm Coe	<b><i>Date of Meeting</i></b>	14 June 2019
<b><i>Date</i></b>	4 June 2019	<b><i>Decision</i></b>	
<b><i>Signature</i></b>			

## Appendix 5 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
<b>Project Name</b>	<b>Realising Talent: Early Intervention and Support for Potential Pre-NEETs</b>	<b>Strategic Case</b>	<p>Across WECA some 6.6% of people are NEET (Not in Education, Employment or Training) at Post 16, but for disadvantaged pupils this figure is much higher at around 13.5%. It is reported that this figure is growing both locally and nationally.</p> <p>Currently a mix of support is provided to individuals for a variety of reasons, by schools, voluntary sector organisations and Youth Connect, but this provision is not always well coordinated, due to a lack of resources and absence of a central hub.</p> <p>The project seeks to identify 240 pupils (across 2 cohorts) most likely to be expected to become NEET based upon use of a RONI (Risk of NEET Indicator) assessment by the schools. Each child will receive bespoke support which could include a wide range of activities such as those to build confidence, coaching, travel training, work experience or help with applications/interviews.</p>	<b>Funding Source(s)</b>	Investment Fund
<b>Scheme Promoter</b>	Bath & North East Somerset, Bristol City and South Gloucestershire Councils	<b>State Aid</b>	The activities are reported as not being of an economic nature.	<b>Approval Requested</b>	Full Business Case

<b>Date of Submission</b>	19/3/19	<b>Economic Case and Value for Money</b>	The cost of the intervention per pupil involved is £2,080.	<b>Grant Award</b>	£499,250
<b>Funding Requested</b>	£499,250 (Support to individuals £360k, UA admin costs £50k, Bath College Set Up Costs £75k, Other £14k)		It is forecast that this intervention will prevent 82 pupils from becoming NEET, a cost of £5,813 per pupil. Whilst it is recognised that there is a lack of evidence nationally upon which to draw, this is compared to research which suggests the economic cost of an individual becoming NEET is £56,000 (2011 prices). Broadly this would yield an economic return of around 10:1.  A letter has been provided from the S151 officer which confirms responsibility and accountability for ensuring good value for money in the use of public resources.		
<b>Total Scheme Cost</b>	£499,250 (with grant spend £58k 19/20, £126k 20/21, £197k 21/22 and £82.25k 22/23)	<b>Risk</b>	A high level risk register has been provided which should be developed further.  A high level cost breakdown has been provided but this should be refined including suitable risk or contingency allowance within the budget.  The timescales for mobilisation are tight although the approach of having a smaller initial cohort mitigates this in part.	<b>Grant Recipient</b>	Bath & North East Somerset Council
<b>Match Funding %</b>	0%	<b>Delivery</b>	Bath College have been identified as the lead delivery partner and their successful track record in working with a number of different partners to meet the needs of young people is reported.  The business case sets out a set of milestones for completed engagements/projects although this should be underpinned by a project plan against which progress throughout the duration of the project can be measured and reported through Highlight Reports.	<b>Payment Basis</b>	Quarterly in arrears on defrayed expenditure

**ITEM 13**

<b><i>Scheme Description</i></b>	<b><i>Recommendation to Joint Committee</i></b>	Approval subject to conditions
<p>The project will establish a dedicated children's hub supporting 14 – 16 year olds in Bath and North East Somerset, Bristol and South Gloucestershire to target and support through early intervention identified young people at aged 14 who can be predicted to become NEETs.</p> <p>The project will:</p> <ul style="list-style-type: none"> <li>• Establish a 3 year pilot scheme for early intervention and support for potential Pre-NEETs.</li> <li>• Work with one school in each authority to identify the individuals in need of this this intervention.</li> <li>• Improve the outcomes for young people who are vulnerable or at risk of becoming NEET.</li> <li>• Encourage the individuals to flourish and remain in education, training, traineeships and apprenticeships post 16.</li> <li>• Improve the coordination of the third sector organisations who support young people by working in partnership.</li> </ul>	<b><i>Conditions of Approval</i></b>	<p>a) Supply of a detailed cost breakdown</p> <p>b) Supply of a risk register</p> <p>c) Finalisation of the Monitoring &amp; Evaluation Plan</p>

**Record of Approval**

<b><i>WECA S151 Officer</i></b>		<b><i>WECA Committee</i></b>	
<b><i>Name</i></b>	Malcolm Coe	<b><i>Date of Meeting</i></b>	14 June 2019
<b><i>Date</i></b>	4 June 2019	<b><i>Decision</i></b>	
<b><i>Signature</i></b>			

## Appendix 6 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
<b>Project Name</b>	South West Institute of Future Technologies (SWIFT)	<b>Strategic Case</b>	<p>SWIFT has been developed in response to a DfE funding initiative to support the Government Industrial Strategy (2017) ambition to “Build a Britain fit for the future” by investing in the skills, industries and infrastructure of the future. The DfE initiative seeks to create a nationwide network of 10-15 prestigious Institutes of Technology.</p> <p>SWIFT will involve the co-designing and co-developing a range of new technical higher skills and training programmes to support economic growth in priority industry sectors of Health &amp; Life Sciences; Advanced Engineering &amp; High Value Manufacturing, and Creative, Digital &amp; High-Tech.</p> <p>A fundamental objective of SWIFT is to widen participation and the project has positively set targets for participation levels amongst women, BAME learners and other groups.</p> <p>There is clear fit with the objectives of WECA and the LEP together with links to national strategies.</p>	<b>Funding Source(s)</b>	Investment Fund
<b>Scheme Promoter</b>	Weston College	<b>State Aid</b>	The activities are reported as not being of an economic nature.	<b>Approval Requested</b>	Full Business Case

<b>Date of Submission</b>	18/3/19	<b>Economic Case and Value for Money</b>	<p>The business case forecasts that SWIFT will deliver the following by 23/24:</p> <ul style="list-style-type: none"> <li>• Create 89 new jobs and safeguard 28 to deliver the specified curriculum.</li> <li>• 700 new jobs through apprenticeships.</li> <li>• 2,100 learners of which 1,400 will be based in the West of England.</li> </ul> <p>This yields a cost per direct and indirect job of £27,856 and a cost per learner benefitting of £10,837 based on the capital cost and Investment Fund contribution. The equivalent for the return on the Investment Fund alone are £2,488 per job and £967 per learner.</p> <p>It should be noted these relate to a £2.033m Investment Fund contribution and the impact from a lower funding award are to be clarified.</p> <p>A letter has been provided from the Finance Director which confirms responsibility and accountability for ensuring good value for money in the use of public resources.</p>	<b>Grant Award</b>	£500,000
<b>Funding Requested</b>	£2,032,640 (over the period 19/20-24/25)				
<b>Total Scheme Cost</b>	£47.05m	<b>Risk</b>	<p>A risk register is provided which sets out the top 10 risks and it is noted this will be further developed.</p> <p>The project has already secured DfE co-funding for the capital elements and given the scrutiny through this process, the business case seeks to be proportionate in the way that it covers these elements, focusing on the development phase for which funding is sought.</p>	<b>Grant Recipient</b>	Weston College
<b>Match Funding %</b>	96%	<b>Delivery</b>	<p>The project has already secured DfE co-funding for the capital elements and given the scrutiny through this process, the business case seeks to be proportionate in the way that it covers these elements, focusing on the development phase for which funding is sought.</p>	<b>Payment Basis</b>	Quarterly in arrears on defrayed expenditure

			<p>All land is already in the ownership of the respective partners and no acquisition is required. Minimal planning consent is required for the Hub development at Weston College and this will take place in Phase 2 in 2020.</p> <p>It is planned that a separate subsidiary company of Weston College will be created which will act through a Joint Venture between the anchor and 5 education partners. It is planned to have the signed JV in place by early July 2019.</p>		
<b>Scheme Description</b>				<b>Recommendation to Joint Committee</b>	Approval
<p>Weston College has led a collaboration which has drawn together 11 employers and five FE and HE institutions (Weston College, University of the West of England, Bath College, Gloucestershire College and Yeovil College) to create SWIFT.</p> <p>The project has secured funding from the DfE to deliver the capital elements which will provide 5,247m<sup>2</sup> of refurbished College estate and 400m<sup>2</sup> of new build facilities across the SWIFT partners.</p> <p>The capital build programme associated with the DfE grant will be delivered by respective SWIFT Education partners in two phases (Phase 1 in July-October 2019 and in Phase 2, July-October 2020) to minimise disruption to existing learners on respective campus sites.</p>				<b>Conditions of Approval</b>	None

**Record of Approval**

<b>WECA S151 Officer</b>		<b>WECA Committee</b>	
<b>Name</b>	Malcolm Coe	<b>Date of Meeting</b>	14 June 2019
<b>Date</b>	4 June 2019	<b>Decision</b>	
<b>Signature</b>			

## Appendix 7 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
<b>Project Name</b>	<b>Cribbs Patchway MetroBus Extension (CPME)</b>	<b>Strategic Case</b>	<p>CPME will be improve access to a number of existing and future employment sites including Rolls Royce, Horizon 38, Filton Enterprise Area and Cribbs Causeway.</p> <p>The project will also improve access for existing and planned residential developments in Stoke Gifford, Little Stoke and the Cribbs Patchway New Neighbourhood (CPNN).</p> <p>The project aligns with West of England Strategic Economic Plan, emerging Joint Local Transport Plan, South Gloucestershire Core Strategy and the objectives of the Economic Development to enable growth in the Enterprise Area.</p> <p>South Gloucestershire Core Strategy, Policy CS26 (CPNN development) requires the implementation of Policy CS7 which includes the CPME scheme.</p> <p>The scheme presents a strong strategic case.</p>	<b>Funding Source(s)</b>	Economic Development Fund and Investment Fund
<b>Scheme Promoter</b>	South Gloucestershire Council	<b>State Aid</b>	The project will provide open access public infrastructure and will not favour a particular economic undertaking.	<b>Approval Requested</b>	Final Approval Business Case

<b>Date of Submission</b>	12/3/19	<b>Economic Case and Value for Money</b>	A letter has been provided by the SGC s151 officer which approval of the business case and that the project represents good value for money in the use of public resources.	<b>Grant Award</b>	£35m EDF and £21.9m Investment Fund
<b>Funding Requested</b>	£56.851m		The scheme presents a core Benefit to Cost Ratio of 2.53 which represents 'high' value for money.		
<b>Total Scheme Cost</b>	£56.9m (Project Management £3.82m; Land £2.91m; Gipsy Patch Lane Bridge £26.73m; Design and Construction £11.84m; Risk £6.88m; Other £4.67m)	<b>Risk</b>	A detailed risk register has been provided.  A Quantified Risk Assessment has been undertaken which yields a risk allowance of £6.878m at a P(80) level excluding Network Rail risk allowance. This represent 12% of scheme cost.	<b>Grant Recipient</b>	South Gloucestershire Council
<b>Match Funding %</b>	0%	<b>Delivery</b>	The scheme has secured land needed for a bus stop on Gipsy Patch Lane and a site for a construction compound. Negotiations to secure the other third party land required for the scheme are reported as progressing well and are at an advanced stage.  The Compulsory Purchase Order and Side Road Order to support the negotiation process for the land required for the railway bridge replacement was advertised in March 2019.  The procurement process is well progressed with Network Rail delivering the Gipsy Patch Lane Railway Bridge and SGC Streetcare the other highway works along the route. The infrastructure within	<b>Payment Basis</b>	EDF – capital and interest every 6 months based upon staged payments.  Investment Fund - quarterly in arrears on defrayed expenditure

		<p>the CPNN and Horizon 38 developments is being provided by the developer under their planning agreement</p> <p>The proposed drawdown of EDF funding is over the period 19/20-20/21 in annual payments which fits within the EDF allocations for this scheme and agreed approach to dealing with staged payments. The drawdown of the Investment Find is over the period 19/20-22/23.</p> <p>Construction start is planned in July 2019 with completion expected in April 2022.</p>		
<b>Scheme Description</b>			<b>Recommendation to Joint Committee</b>	Approval subject to conditions
<p>CPME is an extension to the West of England's metrobus network. It will link Bristol Parkway Station and The Mall Bus Station via the Cribbs Patchway New Neighbourhood (CPNN) re-development site at the former Filton Airfield, the Horizon 38 development site, Gipsy Patch Lane and Hatchet Road.</p> <p>The scheme includes the replacement of the existing railway bridge on Gipsy Patch Lane with a new wider bridge to relieve the existing pinch point, the extension and signalisation of the San Andreas roundabout to allow the construction of a new bus only arm to link to the CPNN, and bus lanes on Gipsy Patch Lane. Metrobus stops and walking/cycling infrastructure are also included.</p>			<b>Conditions of Approval</b>	<p>a) Supply of a detailed elemental cost breakdown for the highway works</p> <p>b) Securing all necessary land</p>

**Record of Approval**

<b>WECA S151 Officer</b>		<b>Joint Committee</b>	
<b>Name</b>	Malcom Coe	<b>Date of Meeting</b>	14 June 2019
<b>Date</b>	4 June 2019	<b>Decision</b>	
<b>Signature</b>			

## Cribbs Patchway MetroBus Extension - Value for Money Statement

### Summary of Scheme Impacts (2010 prices, discounted for 60 years)

Criteria	Commentary
Value for Money	The scheme offers high value for money
NPV	£64.5m
Core BCR	2.5 (high)
Summary of the benefits and costs	
Scheme Benefits & Disbenefits	<ul style="list-style-type: none"> <li>• £26.4m benefits to bus users;</li> <li>• £16.8m benefits to rail &amp; bus/rail users;</li> <li>• £10.4m benefits to highway users;</li> <li>• £25.5m benefits for improved journey quality/facilities;</li> <li>• £13.3m benefits for improved health/reduced absenteeism;</li> </ul>
Scheme Costs	<ul style="list-style-type: none"> <li>• £0.8m benefits for improved greenhouse gas emissions;</li> <li>• £2.3m of disbenefits from 9 month closure of Gipsy Patch Lane;</li> <li>• £23.4m of benefits from “permanent” alteration to Filton Avenue North</li> <li>• £40.8m of scheme build costs</li> <li>• £1.5m of scheme renewal costs (I-points and Shelters every 10 years)</li> </ul>
Significant non-monetised impacts	<p>Noise – but was considered during the scheme transport appraisal;</p> <p>Farebox revenue and service operating cost: The report indicates that that farebox revenue could exceed service operating cost. As detailed discussions with potential operators has not been completed yet, and to adopt a conservative approach these potential scheme benefits have not been included in the analysis.</p>
Key risks, sensitivities and uncertainties underlying the appraisal	<p>Delivery profile of the CPNN development</p> <p>Provision of CPME service by public transport operator, response of competing services to the new service</p>
Significant social or distributional impacts	<p>Physical activity benefits due to increased walking and cycling.</p> <p>Security and journey quality benefits due to measures including improved stops, CCTV, passenger information and crossing facilities.</p> <p>Accessibility net benefits due to improved bus services.</p> <p>Based on a high level assessment of distributional impacts, a range of income groups benefit from the scheme. The scheme benefits areas with a high concentration of children, and low concentrations of elderly residents and residents with a disability.</p>

## Appendix 8 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
<b>Project Name</b>	<b>MetroWest Phase 2</b>	<b>Strategic Case</b>	<p>MetroWest Phase 2 is part of a wider transport offering to accommodate planned and committed business and residential growth throughout the region and will support delivery of the Joint Spatial Plan.</p> <p>The MetroWest Programme is being developed in collaboration with the rail industry and will build on and complement the investment being made by Network Rail (NR), such as the already completed Filton Bank 4-tracking and Bristol area re-signalling projects.</p> <p>The project aligns with the aims of the emerging Joint Local Transport Plan, South Gloucestershire Council Local Plan Core Strategy (2013) and Bristol City Council Core Strategy (2011) and other local strategies.</p> <p>It is forecast that the scheme could add a net total of almost 350,000 new rail journeys to the network in 2021 and would bring an additional 50,000+ people within the immediate catchment of the rail network.</p>	<b>Funding Source(s)</b>	Economic Development Fund and Investment Fund
<b>Scheme Promoter</b>	B&NES, BCC, SGC, NSC and WECA	<b>State Aid</b>	The project will deliver improvements to the rail network which will not favour any particular economic undertaking. It is noted that access to Henbury station will either be provided at a level purely to serve the station site or we will seek to reclaim costs from the developer for providing a full access arrangement that accommodates the wider development	<b>Approval Requested</b>	Outline Business Case Approval

## ITEM 13

<b>Date of Submission</b>	5/4/19	<b>Economic Case and Value for Money</b>	A letter has been provided by the SGC s151 officer which approval of the business case and that the project represents good value for money in the use of public resources.	<b>Funding Allocation</b>	Capital: £36.5m EDF and £5.125m Investment Fund (above £3.2m LGF for development phase)
<b>Funding Requested</b>	£40.902m Capital and £5.938m Revenue		The scheme presents a Benefit to Cost Ratio of 1.884 whilst the expectation is for a BCR of at least 2. It is noted that there are a number of options to improve the BCR by FBC stage and that, from sensitivity test information presented, at need descoping could provide a BCR which meets the threshold.		<b>Funding award</b>
<b>Total Scheme Cost</b>	Capital £48.225m (NR Construction Costs £25.1m; Land £1.3m; Project Management/ Consultants £2.0m; Risk & Inflation £15.5m; Other £4.4m)	<b>Risk</b>	A detailed risk register has been provided.  A Quantified Risk Assessment has been undertaken which presents a risk allowance of £11.197m at a P(80) level (25% of capital costs post OBC).	<b>Grant Recipient</b>	South Gloucestershire Council
<b>Match Funding %</b>	9% of Capital Cost (£1.823m BCC/SGC, £2.3m s106)	<b>Delivery</b>	Submission of planning applications is programmed for summer 2019 on the basis that: 1) Ashley Down station is to be constructed on the site of the previous station and as such NR have permitted development rights. 2) As new stations North Filton and Henbury will require full planning applications.	<b>Payment Basis</b>	EDF - capital and interest every 6 months  Investment Fund - quarterly in arrears on defrayed expenditure

			Third party land is required which will be secured by negotiation or CPO at need.		
			Track-side construction will be led by Network Rail and delivered through a Design and Build contract. The delivery of non-trackside works will be station specific with works being undertaken by Network Rail, local developers and separate contracts.		
<b>Scheme Description</b>				<b>Recommendation to Joint Committee</b>	Approval
<p>The MetroWest Phase 2 project includes delivery of infrastructure and passenger train operations to provide:</p> <ul style="list-style-type: none"> <li>• A half hourly service for Yate local station on the Bristol Parkway to Gloucester line, through the provision of an additional service between Bristol Parkway and Yate.</li> <li>• An hourly service for a reopened Henbury Line with new stations at Henbury and North Filton. A new station will also be constructed at Ashley Down, on the existing Filton Bank (between Filton Abbey Wood and Stapleton Road).</li> </ul>				<b>Conditions of Approval</b>	<p>Note the need to enhance the BCR to at least 2 by FBC stage.</p> <p>Updated economic case to be produced prior to FBC submission, timing to be confirmed.</p>

**Record of Approval**

<b>WECA S151 Officer</b>		<b>Joint Committee</b>	
<b>Name</b>	Malcom Coe	<b>Date of Meeting</b>	14 June 2019
<b>Date</b>	4 June 2019	<b>Decision</b>	
<b>Signature</b>			

## MetroWest Phase 2 - Value for Money Statement

Criteria	Description
Value for Money/Value for Money when wider impacts are included	Low/Medium
NPV/NPV when wider impacts are included	£14.12million / £65.87 million
Initial BCR	1.19
Adjusted BCR (With Wider Impacts)	1.88
Summary of the benefits and costs	<p>Rail transport user benefits (around 72% of the total benefits excluding wider impacts)</p> <p>Highway transport user benefits (25% of total excluding benefits excluding wider impacts)</p> <p>Wider Economic Impacts £27.2 million</p> <p>Option Values £24.6m</p> <p>Operating costs are much more significant than capital costs in the economic case (75% operating cost versus 25% capital cost).</p>
Significant non-monetised impacts	<p>No significant non-monetised impacts. The most significant non-monetised impact is a moderate beneficial impact on journey quality. Other impacts are either slight beneficial (physical activity, access to services), slight adverse (historic environment, biodiversity, severance) or neutral.</p>
Key risks, sensitivities and uncertainties underlying the appraisal	<p>Operating cost assumptions - potential scope for greater synergies with existing services to reduce staffing and maintenance costs</p> <p>Rail demand forecasts, in particular future year growth in demand at new and existing stations</p> <p>Future year fare assumptions</p>
Significant social distributional impacts	<p>Analysis indicates that scheme impacts are generally evenly distributed across user groups, with the exception of Noise, where there is a potential slightly higher impact for Children and Younger people.</p>