

**West of England Local Enterprise Partnership
Board Meeting
Friday 14 September 2018, 10.00-12.00pm
Town Hall, Weston-super-Mare**

LEP Board:

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

Cllr Tim Warren, Bath & NE Somerset Council

Mayor Marvin Rees, Bristol City Council

Cllr Nigel Ashton, North Somerset Council

Cllr Toby Savage, South Gloucestershire Council

Mayor Tim Bowles, West of England Combined Authority

Christopher Grier, Airbus

Martino Burgess, Gregg Latchams

Mohammed Saddiq, Wessex Water

Neil Douglas, Viper Innovations

Dick Penny, Watershed

David Brown, The Bristol Port Company

Jon Reynolds, BT

Andrew Hodgson, KPMG

David Pester, TLT Solicitors

Katharine Finn, PwC

Prof Hugh Brady, University of Bristol

James Durie, Business West

Agenda

	Subject	Presenting	Suggested timings
1.	Welcome and apologies Apologies from Prof Hugh Brady, Chris Grier Note: Mayor Marvin Rees and Mike Jackson will be leaving at 11am	Steve West	10.00am (10 mins)
2.	Minutes of the meeting of 11th July 2018 To approve minutes from the previous meeting. Note: Mayor Marvin Rees will update members on the Global Parliament of Mayors event in October.	Steve West	
3.	Declaration of Interest All Board members have a responsibility to treat all proposals/projects equally and impartially and must therefore declare whether they or their organisation has either a direct or indirect interest in any of the projects to be considered by the Board.	Steve West	
4.	Introduction to LEP accounts	Tim Richens	10.10 – 10.25 (15 mins)

5.	Review of LEP programme funding	Pete Davis	10.25 – 10.40 (15 mins)
6.	Business Plan update	Pete Davis	10.40 – 10.50 (15 mins)
7.	LEP Review and Implementation plan	Patricia Greer/Helen Edelstyn	10.50 – 11.00 (10 mins)
8.	Local Industrial Strategy update <i>Verbal update (1st steering group meeting 10.09.18)</i>	Jess Lee/Steve West	11.00 – 11.05 (5 mins)
9.	Talent Institutes	Jon Hunt	11.05 – 11.20 (15 mins)
10.	Transport Infrastructure update <ul style="list-style-type: none"> • Severn crossing • Sub National Transport Board <i>Verbal update</i>	David Carter/Jason Humm	11.20 – 11.30 (10 mins)
11.	AOB	All	11.30

Next meeting:

Friday 16 November, 10am-12pm

Location: TBC

**West of England Local Enterprise Partnership
Board meeting**

**Wednesday 11 July, 09.30am - 12.30pm
3 Rivergate, Temple Quay BS1 6ER**

Present:	
Prof Steve West, University of the West of England (Chair)	Christopher Grier, Airbus (Business session only)
Jon Reynolds, BT	Cllr Tim Warren, Bath & NE Somerset Council
Martino Burgess, Gregg Latchams	Cllr Nigel Ashton, North Somerset Council
Dick Penny, Watershed	Cllr Colin Hunt, South Gloucestershire Council <i>(substitute for Cllr Toby Savage)</i>
James Durie, Business West	Cllr Craig Cheney, Bristol City Council <i>(substitute for Mayor Marvin Rees)</i>
Andrew Hodgson, KPMG	Patricia Greer, West of England Combined Authority
Neil Douglas, Viper Innovations	Amanda Deeks, South Gloucestershire Council
Mohammed Saddiq, Wessex Water	Simon Martin, Bath & NE Somerset Council <i>(substitute for Ashley Ayre)</i>
Prof Hugh Brady, University of Bristol	Mike Jackson, Bristol City Council
In Attendance:	
Helen Edelstyn, West of England Combined Authority	Menna Davies, West of England Combined Authority
Jessica Lee, West of England Combined Authority	Sue Dobson, West of England Combined Authority
Jon Hunt, West of England Combined Authority	James Cooke, South Gloucestershire Council
Melissa Houston, West of England Combined Authority	Chris Hackett, Bristol City Council
Simon Jupp, West of England Combined Authority	Caroline Twigg, Bristol City Council
Pete Davis, West of England Combined Authority	
Apologies:	
Katharine Finn, PwC	Cllr Toby Savage, South Gloucestershire Council
David Brown, The Bristol Port Company	Mayor Tim Bowles, West of England Combined Authority
David Pester, TLT Solicitors	Mayor Marvin Rees, Bristol City Council

Draft Minutes

1.	Welcome and Apologies	
	Steve West welcomed attendees. Apologies were noted.	
2.	Minutes of the meeting of 10th May 2018	
	The minutes were approved as a true record.	
3.	Declaration of Interest	
	All Board members have a responsibility to treat all proposals/projects equally and impartially and must therefore declare whether they or their organisation has either a direct or indirect interest in any of the projects to be considered by the Board. Dick Penny declared an interest regarding Bristol VR Lab, along with Steve West and Hugh Brady. Both Dick Penny and Jon Reynolds declared an interest around the 5G Tourism bid.	

4.	Industrial Strategy update	
	<p>Steve West introduced the item and invited Jessica Lee to update the board on the progress so far.</p> <p>Jessica began by informing members that a good relationship had developed with Central Government and that WECA had been assigned a Lead Official. Although awaiting an official announcement, everyone is hoping it will be before the summer recess.</p> <p>Jessica and the team have undertaken a SWOT analysis and produced a ‘creative collisions’ map (Annex 2). Any feedback on areas of further work, activities missed etc should be emailed to Jessica directly. Hugh Brady highlighted Cybersecurity and defence were key sectors missing from the diagram.</p> <p>A ‘Strategy Steering Group’ has been set up and a date will be circulated to those members once confirmed. To ensure that our evidence base has credibility and economic rigour we are also establishing a ‘Local Industrial Challenge Panel’ to provide a function to challenge, guide our analysis and development policy proposals.</p> <p>Members were also informed that a ‘Breakfast Briefing’ will be held in September. The purpose of this event is to increase engagement, explain what the Local Industrial Strategy is, what it means for the region and provide an opportunity for the broader business community to feed in views.</p> <p>This event will be followed by a series of large workshops on each of the Grand Challenges. Mohammed Saddiq kindly offered to be involved in the “Clean Growth” workshop.</p> <p>ACTION: Date for the Briefing session will be circulated once confirmed.</p>	<p>WECA Office</p>
5.	Business and skills programme updates	
	<p>Adult Education Budget (AEB)</p> <p>Steve West introduced the item and invited Jon Hunt, Director of Business and Skills, to provide members with an update on the Adult Education Budget (AEB).</p> <p>Jon explained that following a number of conditions devised by the Department of Education (DfE), WECA have demonstrated operational readiness to deliver the AEB devolution from 2019-20 - As one of the key milestones this is a very positive outcome. With the right strategic thinking Patricia believes that we have an opportunity to become a trailblazer.</p> <p>Steve suggested further work was needed to understand how businesses are engaging and accessing the Apprenticeship Levy.</p> <p>Future Bright</p> <p>Jon invited Sue Dobson, Project Manager, to give an overview on Future Bright. Sue began by giving some background context and took members through a short presentation, focusing on the “Employer Engagement” element of the project.</p> <p>Future Bright is a 2-year innovation pilot, providing tailored support to help individuals develop their skills and improve their job prospects.</p> <p>An open discussion developed with members asking how individuals will be identified and with several initiatives having come and gone, what makes this different? Sue explained that this will be a very flexible and personalised approach. There is an online referral form and the team are working closely with housing tenants and the communication teams within the unitary authorities to help widen their reach.</p> <p>Sue spoke of the challenge for women returning to work and a need for employers to be flexible and Amanda Deeks highlighted that changing the dialog is key to addressing</p>	

	recruitment issues within the care sector - a massively rewarding job but not considered “glamorous”. To increase employer engagement Andrew Hodgson suggested promoting the programme through Business Insider magazine.	
6.	LEP business	
	<p>Steve introduced the item and updated members on the following:</p> <p>LEP Review update HM Government have carried out a review on LEPs, which we believe will be published on July 23. The purpose of the LEP Review is to strengthen and deepen LEPs and to ensure they are in a good place to contribute to the Local Industrial Strategy and to receive future growth funding.</p> <p>Prime Ministers Council of LEP Chairs The Prime Minister invited all LEP Chairs to No10 to discuss the role of LEPs and to hear the views of business. Steve was one of four LEP Chairs to speak at the meeting and highlighted the importance of the skills agenda. Overall a very positive and encouraging meeting and the Prime Minister has committed to meet again – dates are currently being identified. Next steps include writing a follow up letter to Government to reiterate what was discussed.</p> <p>LEP Assurance Framework Pete Davis explained that the LEP Assurance Framework document had been updated to reflect: Delegations: To strengthen the way that issues, changes and risks to schemes within LEP funding programmes are managed.</p> <p>At Joint Committee it was agreed that lower level changes to projects can be agreed by the LEP Chief Executive in consultation with the Directors of WECA and the four authorities.</p> <p>Transparency: There have been a number of supplementary detailed requirements and best practice templates such as Code of Conduct, Complaint and Whistleblowing policies.</p> <p>Steve requested greater sight on funding streams that the LEP board are responsible for, giving members the opportunity to intervene when projects aren’t moving and potentially move funds to meet strategic aims.</p> <p>ACTION: A ‘LEP Information Pack’ will be produced for the business members. This will include: Operating Framework, Business Plan, Assurance Framework and Regional Evidence Pack</p>	WECA Office
7.	Global Parliament of Mayors (October summit)	
	<p>Steve introduced the item and welcomed Caroline Twigg from Bristol City Council, who gave a brief overview of the upcoming event.</p> <p>In October 2018 circa 100 Mayors from all over will visit Bristol for the summit. A programme was circulated to members showing a proposed agenda for the weekend, including plans for a formal dinner.</p> <p>The International Team at Bristol City Council are currently raising sponsorship. Caroline requested that members get in contact if they’d like to sponsor an element of the event and/or work with overseas Mayors that could be invited.</p> <p>Due to board members receiving several sponsorship requests, Steve highlighted a need to coordinate these to ensure opportunities are maximised and that the benefits and reasons are clear.</p>	

8.	AOB	
	<p>Steve proposed that the LEP board start to seriously push on “brand”. A discussion developed around how to incorporate everything and the challenge of having numerous titles for one area. It was also suggested that future board meetings be held in various locations.</p> <p>ACTION: A mockup of the Bristol and bath LEP logo to be progressed.</p> <p>David Carter, Director of Infrastructure gave a brief update on the Severn Bridge Toll. Plans to remove the toll charge altogether have already caused additional congestion and the team are working closely with the Department of Transport and Highways England on mitigation proposals.</p> <p>Dick Penny informed the group that a recent pitch to Channel 4 (led by Mayor Marvin Rees and supported by WECA and Invest Bristol + Bath), was positive and that they are expecting a decision soon.</p>	WECA office
	Next meeting: Friday 14 September, 9:30-11:30am WECA Offices	

DRAFT

**West of England Local Enterprise Partnership
Board meeting – 14 SEPTEMBER 2018**

REVENUE 2018/19 – OUTTURN MONITORING APRIL 2018 TO JUNE 2018

Purpose of the report

1. This report presents the forecast revenue outturn budget monitoring information for the West of England Local Enterprise Partnership Board for the financial year 2018/19 based on actual data for the period April 2018 to June 2018.
2. The report also notes the allocation of LEP funding balances to provide resources to support the Local Industrial Strategy project approved at Joint Committee on 27 July 2018.

Recommendation

1. That the LEP Board note the Budget Outturn forecast as set out in Appendix 1 and comments are invited.

Background

1. Appendix 1 outlines the LEP Budget current forecast revenue position for the 2018/19 financial year based on actual information to the end of June 2018. This shows the current projection is an underspend of £97k. The LEP budget consists of the following elements;

Staff

2. The LEP staffing budget consists of the gross pay, Employer's NI and Employer's Pension contributions of the staff undertaking LEP duties, or supporting the functions and governance of the LEP, for all or part of their time.
3. Within Business & Skills, the Careers Enterprise Co-ordination team are fully costed to the LEP, supported by Skills Officers and Managers.
4. Within the Infrastructure Directorate, a proportion of the Regional Housing & Planning team's time is devoted to LEP/Joint Committee functions, as well as Regional Transport Planners.
5. A proportion of the respective Departments Directors' time is therefore also allocated.
6. A percentage of the Chief Executive's Office and Investment & Corporate Services budgets are apportioned, reflecting the amount of time that the Chief Executive, Monitoring Officer and s151 Officer spend fulfilling their LEP roles, supported by staff in Democratic Services, Communications, Financial Services, Procurement, etc. In addition, Investment & Performance Officer time spent on the appraisal, governance and monitoring of the LGF programme is accounted for and Economic Development and Intelligence roles are reflected in the budget.

7. In total, 14.96 FTE officer resource is allocated to LEP functions. [There is also a small budget allocation for the on-going costs of funding historic early retirement costs of previous LEP officers.]
8. In 2018/19, salary costs are estimated to be £31k below budget. This is due to a post vacancy (Economic Development Officer) as well as a reduction in apportioned senior officer secondment costs.

Additional Pensions costs

9. In addition, the £66k provision included within the 2018/19 budget as a contribution to meeting any historic pensions deficit costs is no longer required as the actuarial assessment completed in March 2018 revealed there to be no longer any liability. The Employer's Pensions contribution rate is currently set at 13% of Gross Pay and will be re-assessed at the next triennial valuation performed by the Pension Scheme's Actuary.

Premises

10. A share of the Premises costs of 3 Rivergate (rent, utilities, service charges, Business Rates, cleaning, etc.) are allocated to the LEP in line with the proportion of LEP Officer FTE resource.

Support Services

11. These include ICT hardware, software and support provided under contract by B&NES as well as internal and external audit services, HR, Payroll, Exchequer, Treasury Management and Insurance cover.

Project Expenditure

12. The initial budget of £62k set aside for Project expenditure has been increased to reflect the drawdown of the earmarked reserves approved by the Joint Committee in April 2018 for the following uses;

Table A – Drawdown of Earmarked Reserves 2018/19

Stepping Up			50
5G Bid			150
Digital Strategy c/fwd			18
			218

13. In addition, expenditure of £18k is included within the forecast for completion of the work on the Energy Strategy, funded by the carry forward of the remainder of the unspent BEIS Grant from 2017/18.
14. The original budget includes provision for staff travel, any conference costs, publicity, subscription to the LEP Network and any other project spend prioritised from year to year.

Income

15. The LEP receives £500k of grant funding from DCLG in 2018/19, which has been awarded for several years, but is not confirmed beyond the current Financial Year.
16. The four West of England LEP Unitary Authorities are making a contribution of £110k each in 2018/19.
17. Skills grants are received from the Careers Enterprise Company and UWE (Future Quest outreach programme) to fund the Enterprise Advisor Network. Additional funding has recently been confirmed for the new Academic Year, funding an additional Co-ordinator post as well as a full-time Careers Hub lead officer.
18. The draw-downs from reserves reflect the April 2018 Joint Committee decisions.
19. Investment returns on the LGF balances received from Government at the beginning of each Financial Year (i.e. £45.4m in April 2018) are ring-fenced to the LEP. At this stage, interest returns are forecast in line with the budgeted income of £198k. However, the forecast will be revisited and updated to take account of Local Growth Fund grant expenditure profiles and interest rates rises, which may result in an increased level of investment returns for the 2018/19 Financial Year.
20. The LEP Reserve has been updated to reflect the final reconciliation of historic balances held by Bath & NE Somerset under the previous Accountable Body arrangements. As shown in Table A below, current balances after allowing for agreed commitments are £591k.

Table B – LEP Surplus Balances held on behalf of the Unitary Authorities

Transferred from B&NES to WECA	
LGF Interest (for 2016/17 FY)	-191
4UA contributions in previous years (surpluses to 31/3/17)	-360
	-551
Transferred to LEP Reserve (2017/18 surplus)	-40
Total LEP surplus balances	-591

21. In addition, £85k, originally received as Local Transport Board grant, is earmarked/ring-fenced to fund the external appraisals and technical evaluation costs of Local Growth Fund Business Cases as they come forward for approval by the Joint Committee.
22. A one-off allocation of up to £364k from the above accumulated LEP surpluses was approved at the July Joint Committee for the costs of UA staff being seconded to provide capacity to support the development of the Local Industrial Strategy. This funding (up to £91k per Unitary Authority) will allow for the costs of staff members being seconded from the UAs to provide capacity to undertake the evidence

gathering and policy development work to support the strategy and ensure that it has broad support across the region.

23. The West of England Office agreement underpins the LEP. This agreement deals with the risk sharing mechanisms between the four West of England councils. For all other WoE budgets administered by the WECA, it acts as “agent” with a straight pass through of funding and related costs.

Author: Tim Richens, Interim Director of Investment and Corporate Services

Appendices & Background Papers:

Appendix 1: Revenue position LEP

APPENDIX 1

LEP April to June 2018/19			
	£000s		
	Budget	Forecast	Variance
EXPENDITURE			
Staff	871	840	31
Additional Pensions costs	66	0	66
Supplies & Services			
Support Services	95	95	0
Property costs	102	102	0
Project spend	279	297	-18
Total Supplies & Services	476	494	-18
Total Expenditure	1,413	1,334	79
INCOME			
UA Grants	440	440	0
DCLG Core Grant	250	250	0
Capacity Grant Funding	250	250	0
Skills Grants	75	75	0
Energy Grant	0	18	18
Interest received	198	198	0
LEP Reserve	200	200	0
Total Income	1,413	1,431	18
NET TOTAL - Under /(Over) Spent	0	97	97

**West of England Local Enterprise Partnership
Board meeting – 14th September 2018**
Review of LEP Programme Funding
Purpose of the report

1. To provide an overview of the status of schemes within the Local Growth Fund (LGF), Economic Development Fund (EDF) and Revolving Infrastructure Fund (RIF) programmes.

Background

2. At the LEP Board on 11 July it was requested that a regular item be presented to the Board outlining the status of the schemes with the LEP funding programme. This would enable the Board to have greater visibility of the schemes and an indication of whether they were progressing as planned. An overview of the characteristics and status of each of the constituent funds in the LEP funding programme is shown in the table below.

	Local Growth Fund (Growth Deal) via SEP	Economic Development Fund (programme agreed 2014)	Revolving Infrastructure Fund
Amount	£202m	£500m	£57m
Source	Grant	Retained business rate growth in EZ/EAs	Grant (to be repaid)
Period	2015/16 – 20/21	25 years from 14/15	Revolving
Type	Capital	Capital infrastructure focused programme	Capital
Schemes in programme	c40 schemes (11 complete)	c25 schemes (2 complete)	13 approved schemes (8 complete)
Current Status	Overprogrammed by c£20m, but c15 schemes yet to be fully approved	Fully subscribed, but c15 schemes still to be fully approved	Some £5m capital headroom, plus new schemes through repayment

LEP Funding Dashboard

3. A dashboard is provided in Appendix 2 which sets out the position for all the schemes in the LEP funding programme (aside from those which are already

complete). This seeks to provide a high level overview of the more detailed information provided in business cases and through regular Highlight Reports.

4. The dashboard includes a RAG rating which is calculated using the formula from Government's Local Growth Fund reporting tool which is based upon scores for delivery to programme, cost/spend and reputation. This has also been applied to the EDF and RIF programmes. Schemes which are yet to reach Full Business Case are included but are not given a RAG rating.
5. In addition, given that schemes in the LGF programme are expected to have completed and spent all grant by March 2021, the dashboard includes a deliverability RAG rating for the LGF programme.
6. A short explanatory comment is provided at the bottom of the table for schemes with Red rating.
7. Views of the Board are sought on whether this dashboard provides the correct content and an appropriate level of detail to provide the requested overview.

Recommendation

That the LEP Board give views on the LEP funding programme dashboard.

Author: Pete Davis

Appendix 2

LEP Board - Local Growth Fund Dashboard

Scheme	Promoter	Status	LGF Funding £m		Match Funding		Jobs/ Learners	Completion Date		Previous RAG *1	Current RAG *1	Comments	Delivery Confidence 2021
			Award/ Allocation	Claimed	£m	%		Previous	Current				
Transport Schemes													
MetroWest Phase 1 Implementation Phase	NSC	PE	16.8	0.0	TBC	TBC	TBC	Dec-21	Dec-21	AR	AR	Funding gap	R *2
Pinch Points - A4018 Corridor Improvements	BCC	PE	1.6	0.0	0.0	0%	TBC	Aug-20	Oct-20	AG	A	Completion slippage	AR
MetroWest Phase 1 Development Phase	NSC	Approved	10.5	8.8	0.9	8%	0	Mar-20	Mar-20	AR	AG	Milestone slippage	R *2
MetroWest Phase 2 Development Phase	SGC	Approved	3.2	1.6	1.5	31%	0	Oct-19	Oct-19	AR	AG	-	G
Pinch Points - West Wick Rbt and North South Link	NSC	Approved	11.3	1.8	1.0	8%	618	Apr-20	Apr-20	A	AG	Milestone slippage	AG
Portway Station	BCC	PE	0.6	0.0	2.1	79%	11	May-20	May-20	AG	AG	Milestone slippage	AG
Sustainable Transport Package 17/18	BCC	Approved	4.6	1.0	0.9	16%	96	May-19	May-19	AG	G	-	G
Weston-super-Mare Town Centre	NSC	Approved	1.5	0.0	3.0	67%	60	Feb-20	Feb-20	G	G	-	G
A39 Bences Garage Junction Improvement	B&NES	PE	0.7	0.0	0.2	21%	81	Nov-18	Nov-18	G	G	-	G
Weston-super-Mare: Sustainable Travel Improvements	NSC	Approved	1.8	0.0	0.5	21%	52	-	Jun-20			Approved 27 July 2018	AG
Keynsham Town Centre Improvements	B&NES	Seeking PE	1.5	0.0	0.9	37%	TBC	-	Mar-21			OBC produced	AR
Sustainable Transport Package/Pinch Points programme	BCC/SGC	Allocation	7.2	0.0	TBC	-	TBC	TBC	TBC			Awaiting OBCs	R *3
Infrastructure Schemes													
Bath Quays Phase 1a (BQS)	B&NES	Approved	8.8	0.7	0.0	0%	638	Apr-20	Apr-20	A	AG	Cost increase	AG
Superfast BroadbandExtension Programme (SGC)	SGC	Approved	1.3	1.3	4.3	77%	-	Jun-19	Jun-19	AG	AG	Milestone slippage	G
Colston Hall Phase 2 Transformation Project	BMT	Approved	5.0	1.0	43.8	90%	49	Jun-20	Jun-20	AG	AG	Milestone slippage	G
Superfast BroadbandExtension Programme (CDS)	NSC/B&NES	PE	0.4	0.0	2.5	86%	TBC	Dec-19	Dec-19	G	AG	Spend re-profile - FY 19/20	G
Bath Quays Phase 1b (BQN)	B&NES	Approved	1.8	0.1	0.0	0%	-	Sep-18	Sep-18	AG	AG	Spend re-profile - In year	G
Bristol and Bath Cultural Destinations Media Bank	Destination B	Approved	0.15	0.1	0.0	0%	35	Sep-18	Sep-18	AG	G	-	G
Bath Quays Bridge	B&NES	Approved	1.6	0.4	3.1	66%	-	Sep-19	Sep-19	AG	G	-	G
Catte Market Road Demolition Works	BCC	Approved	0.9	0.9	4.0	82%	-	Dec-18	Dec-18	G	G	-	G
Town Square Weston-super-Mare	NSC	Approved	3.0	2.8	0.05	2%	25	Dec-18	Dec-18	G	G	-	G
Purchase of land at Bristol and Bath Science Park	SGC	Approved	5.8	0.0	10.1	64%	393	Jul-18	Jul-18			Offer letter to be issued	G
Innovation Schemes													
FoodWorksSW Innovation Centre	NSC	Approved	11.8	0.0	2.0	14%	160	Oct-19	Jan-20	A	AR	Completion slippage	G
OPCR - Bristol Infrastructure and research projects	BCC	Approved	3.3	0.0	0.0	0%	242	Dec-19	Dec-19		AR	Milestone slippage	G
Institute of Advanced Automotive Propulsion Systems	Bath Uni	PE	10.0	0.0	51.4	84%	661	Apr-20	Jul-20	A	A	Completion slippage	G
Bristol VR Lab	Watershed	Approved	0.3	0.2	0.6	65%	114	Jul-18	May-19	AG	A	Completion slippage	G
Bristol SETSquared Urgent Expansion	UoB	Approved	0.1	0.0	0.1	44%	108	Aug-18	TBC	G	AR	Change request/withdrawal	A
Grow-On2 Temporary Buildings	SGC	PE	1.0	0.0	0.0	0%	73	Dec-18	Mar-19	G	A	Completion slippage	G
NTProStruct	NCC	Approved	3.9	3.9	4.2	52%	90	Oct-18	Dec-18	G	AG	Completion slippage	G
Advanced Composites - Bridge Construction	SGC	Approved	5.1	0.7	1.4	22%	182	Dec-20	Dec-20	AR	AG	Milestone slippage	AG
Engine Shed Phase 2	BCC	PE	4.0	0.0	7.0	64%	TBC	Jan-20	Jan-20	G	AG	Milestone slippage	A
Quantum Technologies Innovation Centre	UoB	PE	15.0	0.0	28.7	66%	TBC	Mar-21	Mar-21	G	G	-	AR
Bath Innovation: Pioneer Building	B&NES	PE	8.7	0.0	0.0	-	124	-	Mar-21			FBC produced	AR
OPCR Programme Allocation	UAs	Pipeline	4.0	0.0	0.0	0%	TBC	TBC	TBC			Awaiting OIBCs	R *3
Skills Schemes													
Weston College Construction Skills Centre	Weston C	Approved	3.3	0.0	0.6	15%	3770	Feb-19	Apr-19	AG	AG	Completion slippage	G
Weston College Health and Active Living Skills Centre	Weston C	Approved	5.4	0.0	4.93	48%	1743	Apr-19	Apr-19	AG	AG	Milestone slippage	G
Increasing the capacity of the BEMA Training Centre	BEMA	Approved	0.08	0.01	0.15	67%	56	Mar-19	TBC	G	G	-	G
South Bristol Construction Centre	CoBC	PE	6.0	0.0	TBC	-	TBC	TBC	TBC			FBC being developed	A

Key: OBC= Outline Business Case, FBC = Full Business Case, PE = Programme Entry

Reported slippage in completion

Notes: *1 Previous and current RAG ratings based on scores for delivery, spend/cost and reputation from Government's LGF monitoring tool.

*2 MetroWest Phase 1 awaiting the outcome of a Transforming Cities bid. Update on funding position to be reported to Joint Committee in September

*3 Specification of schemes to be provided and OBCs produced.

LEP Board - Economic Development Fund Dashboard

Scheme	Promoter	Status	EDF Funding £m		Match Funding		Jobs	Completion Date		Previous RAG *1	Current RAG *1	Comments
			Award/Allocation	Claimed	£m	%		Previous	Current			
Bristol Arena	BCC	PE	53.0	-	42.6	62%	548	TBC	TBC	R	R	No change reported
MetroWest Phase 1 Implementation <i>(link to LGF development)</i>	Joint	Approved	26.1	0.0	TBC	TBC	TBC	Dec-21	Dec-21	AR	AR	Funding gap
Avonmouth/Sevenside Ecology & Flood Development Costs	Joint	Approved	1.9	0.0	0.0	0%	1,820	Jun-18	Dec-18	AG	A	Completion slippage
Invest in Bristol and Bath	WECA	Approved	5.0	1.937	0.3	6%	5,300	Feb-20	Feb-20	A	AG	Milestone slippage
MetroBus Extension to Cribbs Causeway	SGC	PE	35.0	-	2.2	6%	TBC	Jul-21	Jul-21	AG	AG	Milestone slippage
TQEZ Programme Team	BCC	Approved	2.5	0.5	0.0	0%	2,668	Jun-21	Jun-21	A	AG	Milestone slippage
Avoncrest & Hutton Moor Regeneration Phase 1	NSC	PE	15.0	-	10.9	42%	TBC	Sep-20	TBC	A	A	Programme under review
Bath Riverside Enterprise Zone Team	B&NES	PE	0.7	-	1.3	66%	-	Feb-21	Feb-21		G	-
East of Bath Transportation Improvements	B&NES	PE	6.5	-	TBC	TBC	TBC	TBC	TBC			-
Bath Innovation	B&NES	PE	1.3	-	TBC	TBC	TBC	TBC	TBC			-
B&NES Flagship Release Innovation Quay (North & South)	B&NES	PE	33.3	-	TBC	TBC	TBC	TBC	TBC			-
NSC Flagship	NSC	PE	22.6	-	TBC	TBC	TBC	TBC	TBC			-
Central Bristol & TQEZ Flood Defence	BCC	PE	10.0	-	TBC	TBC	TBC	TBC	TBC			-
M32 Park & Ride	BCC	PE	20.0	-	TBC	TBC	TBC	TBC	TBC			-
SGC Flagship	SGC	PE	19.2	-	TBC	TBC	TBC	TBC	TBC			-
M49 Junction & Link Road	SGC	PE	22.0	-	TBC	TBC	TBC	TBC	TBC			-
M32 Junction 1	SGC	PE	0.8	-	TBC	TBC	TBC	TBC	TBC			-
Superfast Broadband	SGC	PE	2.7	-	TBC	TBC	TBC	TBC	TBC			-
MetroWest Phase 2 Implementation <i>(link to LGF development)</i>	Joint	PE	39.9	-	TBC	TBC	TBC	TBC	TBC			-
Avonmouth/Sevenside Flood Mitigation	Joint	PE	58.3	-	TBC	TBC	TBC	TBC	TBC			-
Avonmouth/Sevenside Ecology	Joint	PE	5.6	-	TBC	TBC	TBC	TBC	TBC			-

*4

LEP Board - Revolving Infrastructure Fund Dashboard

Scheme	Promoter	Status	RIF Funding £m			Match Funding		Jobs	Completion Date		Previous RAG	Current RAG	Comments
			Award/Allocation	Claimed	Re-paid	£m	%		Previous	Current			
J21 Queensway Improvement	NSC	PE	2.09	0.0	0.0	0.0	0%	127	TBC	TBC	AR	AR	Funding gap
South Bristol SUD ERDF Intermediate Body	BCC	PE	0.048	0.0	N/A	0.048	50%	114	Oct-18	Nov-18	AG	A	Completion slippage
J21 Northbound Merge Improvement	NSC	PE	0.45	0.0	0.0	0.675	60%	68	TBC	TBC	A	A	Completion slippage
Bath Quays Waterside	B&NES	Approved	6.1	6.1	0.36	1.37	18%	770	Mar-18	Jul-18	G	AG	Completion slippage
Creative Working Hub – The Stable	NSC	Approved	0.459	0.212	0.0	0.067	13%	91.5	Jul-19	Apr-20	G	AG	Completion slippage
TQEZ Infrastructure Programme	BCC	Approved	20.9	13.024	0.0	0.0	0%	2,620	Jun-19	Jun-19	A	G	
Gas Holders Decommissioning, Bath Western Riverside	B&NES	Approved	4.1	2.052	2.052	220	98%		Dec-14	Dec-14	G	AG	Additional funding request
Somer Valley EZ – Commercial Delivery Framework	B&NES	Approved	0.05	0.0	N/A	0.343	87%	1,700	Mar-20	Mar-20	G	G	-

Key: OBC= Outline Business Case, FBC = Full Business Case, PE = Programme Entry

 Reported slippage in completion

Notes: *1 Previous and current RAG ratings based on scores for delivery, spend/cost and reputation from Government's LGF monitoring tool.

*4 A no change position has been reported since October 2017 whilst the review has been undertaken .

**West of England Local Enterprise Partnership
Board meeting – 14th September 2018**

WEST OF ENGLAND COMBINED AUTHORITY BUSINESS PLAN - UPDATE

1. Purpose of the report

This report provides an update on progress in delivering Local Enterprise Partnership commitments as set out in the West of England Combined Authority business plan.

2. Recommendation

The LEP Board are asked to note this report.

3. Background

3.1 The West of England Combined Authority business plan was approved by the Joint Committee on 1st June 2018.

3.2 The business plan supports delivery of the operating framework agreed by Joint Committee on 18th April 2018. It sets out the key deliverables during 2018/2019 for skills, business support and infrastructure, as well as the enabling corporate activities and it covers the activities to support both WECA and the Local Enterprise Partnership. A draft plan was considered by the LEP Board in January 18 and a final version received in May 2018.

3.3 For each Directorate this report highlights key achievements and details any significant exceptions to delivery together with mitigating activities.

3.4 WECA is developing an overall performance management and reporting framework that will reflect both local and national reporting requirements and this will be used as the basis for an annual report for Government and Committees. This plan will be reviewed by Audit committee in November.

3.5 It is proposed to bring quarterly progress reports on business plan delivery to the LEP Board, Scrutiny, WECA and Joint Committee.

3.6 Development of the Business Plan for 2019/20 will commence in the Autumn in parallel with the Medium Term Financial Plan. The 19/20 business plan will include ongoing activity to deliver the operating framework, and will also start to include work to deliver the Local Industrial Strategy as development of this continues

4. Progress Report

Business		
Progress has largely focused on setting up projects and activities including a review of IBB.	Overall RAG	AMBER
Key Achievements this reporting period <ul style="list-style-type: none"> - Getting to the final stages with a £50 million 5G bid - Review of Invest in Bristol & Bath underway and due to report to Joint Committee November 2018 - Growth Hub development proposals being implemented and will report to LEP Board in due course - Cultural Strategy engagement group established and procurement of supplier underway 		
Issues to note <ul style="list-style-type: none"> - There are delays in progressing the Energy Strategy. 		
Upcoming activity <ul style="list-style-type: none"> - Completion of IBB review and consideration of next steps - 5G bidding project closure and lessons learnt - Appoint supplier to commence work to develop cultural strategy - Official launch of the Health Tech Hub at UWE and the start of construction of the Foodworks South West Innovation Centre in the J21 Enterprise Area both supported by the LGF 		

Skills		
Activity has focused on development and submission of bids alongside development of skills action plan	Overall RAG	AMBER
Key achievements this reporting period: <ul style="list-style-type: none"> - Adult Education Budget devolution taken place - Careers Hub bid submitted and successful –the project will deliver careers advice to all West of England schools - Regional Institute of Technology bid submitted and report due to Skills Advisory Board - Skills action plan co-produced with Construction Industry Training Board and reported to Skills Advisory Board 		
Issues to note <ul style="list-style-type: none"> - None 		
Upcoming activity <ul style="list-style-type: none"> - Recruitment has been underway to three posts in the Directorate – two staff will be joining in October and this will enable swifter delivery of activities - Recruitment of staff to deliver of the Careers Hub project - Recruitment of staff to deliver the Adult Education Budget activities - City of Bristol College South Bristol Construction Centre allocated £6m of LGF funding and developing Full Business Case. 		

Infrastructure		
High level dashboard reporting on LEP funding programme to be presented to LEP Board.	Overall RAG	AMBER
Key achievements this quarter: <ul style="list-style-type: none"> - Proposals for sub-national transport board endorsed by WECA and Joint Committee - Proposals for development industry panel endorsed by WECA and Joint Committee - New Head of Transport joined on 3rd of September - Completion of LGF schemes – Aztec West Roundabout, Saw Close Public Realm in Bath 		
Issues to note <ul style="list-style-type: none"> - The JSP inspection in public is now scheduled to take place in 2019 and a number of activities are dependent upon the outcome of this - 		
Upcoming activity <ul style="list-style-type: none"> - Ongoing preparations continue for JSP examination in public - A peer review is underway of the transport projects funded by the WECA investment fund which should be completed by the end of September and a more detailed report on these will be brought to the November committee meeting - Construction start planned for LGF funded North South Link in Weston-super-Mare and completion of the coach park relocation from Bath Quays to Odd Down Park & Ride enabling development in the Enterprise Zone. 		

Corporate Services		
Generally on track to deliver to plan. Recruitment underway to ensure appropriate support in place.	Overall RAG	AMBER
Key achievements this quarter: <ul style="list-style-type: none"> - Annual Governance Statement agreed by WECA 27th July 18 - Statutory Accounts for 16/17 and 17/18 approved at Audit Committee 12th July 18 - Senior Management Team recruitment complete - Performance Management Framework introduced for all staff - West of England announced as part of wave two of Local Industrial Strategy development 		
Issues reported: <ul style="list-style-type: none"> - Some ICT and support services challenges reported. Review and marketplace assessment to take place. - Additional resources now required to support development of Local Industrial Strategy. Discussions taking place to ensure this is fully resourced. 		
Upcoming activity <ul style="list-style-type: none"> - Commence work on Medium Term Financial Plan - Introduce ModernGov committee management software - Complete recruitment to team - Local Industrial Strategy launch events and workshops 		

6. Equalities and Diversity

Work has commenced to develop an Equality and Diversity Framework for WECA that is focused on achieving inclusive economic growth across the Region. Equality Analysis is already carried out on all funded schemes as part of the assurance process and an annual Equality and Diversity Report will be presented to the Annual General Meeting in Spring 2019.

5. Risk Management

- 5.1 Key risks to delivering the business plan were highlighted in the report to WECA and Joint Committee on 1st June 2018. These have been reviewed and updated and a summary is provided in Appendix A
- 5.2 A formal risk management framework for WECA has been drafted with support from Audit West and this will be reviewed and agreed by WECA's Audit Committee in November 2018

Author: Lynda Bird, Head of Performance, Planning and Projects, WECA

Appendix A – Corporate Risk Register Update

Risk Description	Risk Impact	Mitigation	Update 25/07/2018
There is a risk that WECA may not have completed recruitment to enable delivery of all the activities in the business plan	This could potentially impact delivery timescales, quality of deliverables and budget	Complete recruitment to key posts in the organisation, meanwhile drawing on available capacity in the constituent authorities, with interim and consultancy support engaged where appropriate	Status: Green Recruitment to key posts completed.
There is a risk that national priorities may change over the course of the year.	This could potentially require significant alterations and additions to the business plan and impacting onto current delivery plans	Regular discussions at both official and political level. Delivery of business plan monitored by WECA SMT and reported to WECA Chief Executives quarterly	Status: Amber Ongoing activity
There is a risk that Committee members may be unable to reach agreement on key proposals.	WECA would be unable to realise the opportunities and benefits of the activities set out in the business plan	Strong partnership working arrangements are in place to ensure that proposals are developed to support and complement the priorities and objectives of the constituent councils	Status: Amber Ongoing activity
There is a risk that the activities identified in the business plan may not achieve the desired balance of economic growth and inclusive growth.	The West of England is unable to realise the full benefits and opportunities of devolution	Equalities impact assessments will be carried out for each specific activity to identify potential issues and clear mitigations and these will form part of the organisation's performance management framework	Status: Green Equalities framework development underway – annual equalities report will be brought to AGM
There is a risk that there are dependencies on the Joint Spatial Plan, the outcome of which is in an independent examination process and therefore not yet know.	This could potentially require significant alterations and additions to the business plan and impacting onto current delivery plans	The process to prepare a statutory development plan document has been followed and robust governance and technical working arrangements are in place to deliver the project	Status: Amber Inspection date tbc
There is a risk that processes and procedures are not in place to support devolution of the Adult Education Budget	Learners do not realise the benefits of this devolved power	Readiness conditions set by Government have been met. A project team is being recruited. Mechanism in place to fund administrative support from the devolved budget through use of underspend. Ongoing engagement and dialogue with business to inform future proposals	Status: Amber Recruitment underway

**West of England Local Enterprise Partnership
Board meeting – Friday 14 September**

LEP Review: Update

Purpose of the report

1. To note and act on the West of England ‘*Strengthened Local Enterprise Partnerships*’ (the LEP Review), action plan.
2. To consider the following actions:
 - To recruit to 3 new female business member positions on the LEP Board; in accordance with the agreed recruitment process set out in the Terms of Reference.
 - To agree the defined term limits for Chair, Deputy Chair and appointed board members.

Background

3. ‘*Strengthened Local Enterprise Partnerships*’ (the LEP Review) sets out the conclusions of Government’s policy review of LEPs and includes a series of Government commitments alongside a number of additional changes that Government will work with LEPs to implement.

Officials have stated that ‘*Strengthened Local Enterprise Partnerships*’ and the additional changes required demonstrates Governments continued commitment to LEPs.

The additional changes cover five areas. These are:

- Geography (boundary overlaps)
- Leadership and organisational capacity
- Accountability and performance
- Roles and responsibilities
- Mayoral Combined Authorities

There are no significant implications for us; our Mayoral Combined Authority (MCA) and LEP model is recognised and supported by Government as good practice. However, the Review does require us to act in several of the areas listed above; this includes increasing the diversity of our Board, producing an annual report and holding an annual LEP Board meeting in public.

Attached at appendix A is an action plan that sets out the additional changes Government requires, our current position and early thinking on action.

Government commitments

As part of the Review Government commits to several actions including publishing a revised National LEP Assurance Framework in the autumn, publishing a further statement on Local

Industrial Strategies to guide local work, commissioning an annual economic outlook and working with LEPs to recruit Chairs and Vice Chairs.

Implementation

The timelines for implementation are deliberately short to align with the progress of Local Industrial Strategies and the UK Shared Prosperity Fund. Most pressing is LEP geography, which is primarily focused on removing overlaps, and where appropriate propose wider changes such as mergers. All LEPs are required to respond to Government's recommendations on geography by **28 September 18**; even if no boundary changes are proposed as is the case here.

All LEPs must submit implementation plans covering the four remaining areas (leadership and organisational capacity, accountability and performance, roles and responsibilities, Mayoral Combined Authorities) by **31 October 18**.

Specific timelines for the implementation of the specific changes are outlined within the Review, and captured in the draft action plan attached at appendix A. The majority of these will need to be in place for the beginning of the 2019-20 financial year. These timeframes will be reflected in the National LEP Assurance Framework which will be revised and published in autumn 2018. All LEPs will need to be compliant with this by 28 February 2019.

Government is making up to £200,000 available in 2018-19 to each LEP to fund a timely and effective implementation of the LEP Review, and the development of an evidence base for Local Industrial Strategies. A LEPs allocation of this funding will be received once it has submitted the proposals outlined above and Government is content that these plans will address the recommendations in the review.

The LEP Network is providing additional support to help LEPs make the changes required through five LEP led working groups, covering the following areas: geography, delivery plans, legal personalities, Local Industrial Strategy, National Assurance Framework. These working groups will also include Government officials. The working groups will be overseen by a LEP led Steering Group.

Gender balance

Perhaps the most pressing action for us is to increase the gender balance of appointed members of the LEP Board to at least one third by March 2020. There are currently 13 appointed LEP Board members; 2 of whom are women. To meet Government targets, we would need 4 women out of 13, 5 women out of 14, 5 women out of 15 or 5 women out of 16 (proportions have been rounded up / down).

Government has also set a maximum Board number of 20 (to be in place by March 2020). There are currently 18 WoE LEP Board members (this includes both elected and appointed members).

The recommendation is that we stretch the maximum Board number to 21 to allow us to actively recruit 3 additional women to the Board prior to the end of March 2020. These new appointments, along with the existing 2 female members of the Board, would mean that we meet the requirement of at least one third by March 2020; although we would also need to

reduce the overall number of appointed members on the Board by 1, to meet the maximum Board number requirement of 20.

Action 1

Officers seek permission to actively recruit to 3 new business member positions on the LEP Board; in accordance with the agreed recruitment process set out in the Terms of Reference.

Member terms

In addition, we also need to introduce defined term limits for Chair, Deputy Chair and appointed board members; these terms need to be agreed by February 2019. The current Terms of Reference state:

'The term of the business chair, business members and university member will be up to three years from the date of appointment. Terms will be staggered to ensure continuity amongst the membership.'

'Members to serve a maximum of 2 terms (renewal of term will not be automatic).'

Start dates and term of current appointed board members are listed below for reference.

Action 2

Officers will update Terms of Reference to reflect the new requirements around term. A revised Terms of Reference will be shared at the next LEP Board for agreement.

Annual General Meeting

Within the implementation plan, the LEP must commit to hold an annual general meeting, open to the public to attend. This must take place before March 2020. This annual general meeting will be appropriately forwarded planned by officers, in partnership with the chair and Board.

Author: Helen Edelstyn

**West of England Local Enterprise Partnership
Board meeting – Friday 14 September**

WECA TALENT INSTITUTES

Purpose of the report

1. To discuss the topic areas identified for potential “Talent Institutes”.
2. To discuss the possible approach to financial sustainability proposed for the Institutes, using the WECA Investment Fund.

Recommendation

3. To consider and advise WECA Officers and WECA Committee on:
 - The topic areas for the Talent Institutes.
 - The approach to procuring partners, using the WECA Investment Fund to invest in assets rather than act as grant fund.

Background

4. The WECA area has a strong economy with key strengths (both sectoral and cross cutting) which can enable ongoing growth. Examples of sectoral strengths include the Advanced Engineering and Digital/Creative sectors¹ whilst examples of cross cutting strengths include tech/digital and our highly qualified and skilled workforce. However, there remain significant social inclusion challenges, with the need to ensure there are jobs for our residents in the future and the opportunities for pathways to meaningful employment.
5. Furthermore, interventions to support business growth and social inclusion should be sustainable, but rarely are, requiring further government intervention. Our role is to stimulate new business models for growth that are both inclusive and financially sustainable.
6. Another challenge, compared to other areas/regions, is both a lack of readily available space and few Innovation Assets, which are facilities recognised by HM government as “hot spots”² for innovation.
7. The government wishes to make the UK the world’s most innovative nation by 2030, hence the £725 million investment in the Industrial Strategy Challenge Fund (ISCF)³. Government ambition is to increase the level of investment in research and development

1 Derived from the 2016 Science & Innovation Audit and West of England’s Strategic Economic Plan.

2 Personal experience from the 2016 Science & Innovation Audit showed that the National Composites Centre was the only “asset” government knew about.

3 <https://www.gov.uk/government/news/government-unveils-industrial-strategy-to-boost-productivity-and-earning-power-of-people-across-the-uk>

(R&D), from 1.7% to 2.4% of GDP by 2027, which could require a further £80 billion of investment in advanced technology in the next decade, helping to transform whole sectors, create new industries, and support innovation across the country.

8. R&D alone is not a proxy for growth, requiring a related focus on Innovation with a deep understanding of customer needs to make products people want⁴. As such, whatever intervention we make needs to combine R&D with market innovation.
9. Our region (the WECA geography) is lacking in high quality and locally targeted interventions aimed at maximising the combination of socially inclusive skills interventions, *Innovation Assets* and a focus on market innovation. Our evidence indicates that this targeted support should include a mixture of activities (see below). In addition, the interventions/support should be delivered in a manner and environment which fosters innovation, collaboration and development.
10. In response to the above WECA has identified the need to invest in the creation and running of extremely high quality, inspirational and nationally recognised economic development assets that target and support our key economic strengths.
11. WECA will develop a Full Business Case with appropriate legal and financial advice, plus information from the engagement with potential suppliers and users.

Proposed solution

12. WECA is considering the establishment of three Talent Institutes across the region (possibly one located in each Local Authority area). These Institutes would be nationally recognised centres of excellence targeted at maximising our strengths and addressing key economic growth and skills challenges in the WECA area.
13. The Institutes will be physical places, *Innovation Assets*, instantly recognised when the Government radar is activated¹, such as any future science and innovation audit. They will be state of the art, physical facilities (refurbished or new build) where businesses, skills/education providers and learners co-house and work together to deliver and achieve the objectives outlined above.
14. The Talent Institute concept would fit with several activities in the, over committed, Local Growth Fund pipeline, that require revenue as well as capital support. The Institutes would be designed to align with the business support programmes funded through the European Structural Investment Fund and other national agencies. In addition, business support activities through the Growth Hub and IBB could be co-located.
15. **The aim** is to address a combination of historically separate, but closely related **objectives**, in one physical location:
 - The delivery of smart and inclusive economic growth through technical and market innovation in the West of England Combined Authority area.

⁴ <https://www.forbes.com/sites/tendayiviki/2016/08/21/why-rd-spending-is-not-a-measure-of-innovation/#4a81b10cc77d>

- Delivering skills offerings that enable progression of our residents to meaningful employment, across a range of skill level, i.e. medium to higher level skills (4+).
- Enabling WECA to maximise the reach and impact of our financial resources using an investor (as opposed to a grant) funding model.

16. The Local Industrial Strategy hypothesis is built upon the concept of “creative collisions”, Talent Institutes will deliver single locations for new “sectoral” collaborations and innovation approaches. The process of establishing Talent Institutes will undoubtedly help define local industrial strengths.

Discussion

17. It is supposed that these facilities, if the proposal is taken forward, would be focused on supporting sectoral topics such as Creative, Advanced Engineering and Healthcare or cross cutting thematic areas such as “Wellbeing tech”, Quantum Tech, 5G, or High Value Design.
18. Are these the right areas to seek? Should we be more, or less, prescriptive as part of procuring suppliers?

Health & Wellbeing:

- This would be a distinctive area of focus, reliant on RIOs willing to co-invest.
- Each of the Councils have indicated the need for innovation in the Social Care sector with the WECA Director of Business and Skills.

High Value Design.

- Explorative conversations with the aerospace community have indicated that this model might be an effective solution for the regional hub in this field.
- The problem appears to be a lack of supply of the highly skilled workforce required for new complex products.
- Further, numerous SMEs require R&D assistance, access to high value design capabilities, new skilled staff, and the upskilling of current staff.

Quantum / Communications / 5G Hub.

- This initiative could feed into the national Quantum Technology Programme run by UK Research & Innovation.

19. Optimal business models and operational delivery will involve:

- Skills Training Interventions, including apprenticeships and placements;
- Profit making research and innovation support services for value or supply chains, delivered by Research & Innovation Organisations⁵ (RIOs);

5. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/451265/bis-15-321-research-and-innovation-organisations-in-the-UK-innovation-functions-and-policy-issues.pdf

- Space for collaboration and ideally the collocation of “Scale ups” - fast growing businesses focused on technical and market innovation.
20. As such, there would be an obvious opportunity to procure RIOs to co-invest (with WECA), co-design and co-deliver (perhaps as part of a consortium) the Talent Institutes. WECA and any RIO would form a SPV to manage the facility.
 21. This approach arises from the view that the WECA Investment Fund (a £30 million per annum fund from HM Government) should ‘invest’ rather than grant-fund activities, thereby creating commercial assets that are financially sustainable.
 22. Business models for such an SPV could include a wider physical space where there are neighbouring facilities to allow for cross subsidy. As such, when considering the financial model WECA will need to determine the most successful delivery organisation/mechanism.
 23. WECA has received advice that there are many different State Aid exemptions for R&D and skills-based facilities. Additionally, we may choose to operate under a commercial basis and/or rely on case law (i.e. the German incubator ruling). This issue will need to be resolved prior to procurement starting. We have legal advice that indicates that there are good examples, such as FoodWorks in North Somerset, which means we can use public money in this way.
 24. An important step is the procurement of a third party to run the RIO. Further advice will be sought during a Feasibility process.

Next steps

25. Subject to a decision by WECA Committee, it is proposed to run a feasibility study (cost c£100k) to explore the legal, financial and commercial case for Talent Institutes in detail. Further, the feasibility study will help engagement with possible suppliers and users, to that end advice and guidance from the LEP Board would aid these processes.

Author: Dr Jon Hunt