

WEST OF ENGLAND JOINT COMMITTEE

19 JULY 2019

REPORT SUMMARY SHEET

LOCAL ENTERPRISE PARTNERSHIP ONE FRONT DOOR FUNDING PROGRAMME

Purpose

To consider business cases for the following schemes seeking approval for funding through the Local Growth Fund and to update on other externally funded grant programmes:

- MetroWest Phase 1
- Invest Bristol and Bath
- Workforce for the Future
- Research and Innovation Challenge Fund

Recommendations

The Committee is asked to:

1. Approve the reallocation of £1.816m of LGF funding from the Sustainable Transport/Pinch Points programme to the A4108 Corridor Improvements scheme and delegate to the WECA Chief Executive in consultation with the West of England Chief Executives the approval of a change request for up to £346,000.
2. Approve the Outline Business Case for MetroWest Phase1 and award £11.65m LGF from within the agreed allocation to develop a Full Business Case subject to the supply of a detailed cost breakdown and an updated programme
3. Approve the changes to schemes in the LGF programme set out in paragraph 4.1.
4. To note the submission of the Full Business Case for Invest Bristol and Bath with sustainable funding options to be considered further by the West of England s151 officers and delegate the funding award to the WECA Chief Executive in consultation with the West of England Chief Executives.
5. Approve the Full Business Case for Workforce for the Future subject to securing ESF funding and finalising the Monitoring and Evaluation Plan and to delegate approval of grant making to the WECA Chief Executive in consultation with the West of England Chief Executives.
6. Approve the Full Business Case for the Research and Innovation Challenge Fund subject to securing ERDF funding and delegate approval of grant making to the WECA Chief Executive in consultation with the West of England Chief Executives.

Contact officer: Malcolm Coe

Position: Director of Investment & Corporate Services

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

MEETING: WEST OF ENGLAND JOINT COMMITTEE

DATE: 19 JULY 2019

REPORT TITLE: LOCAL ENTERPRISE PARTNERSHIP ONE FRONT DOOR FUNDING PROGRAMME

AUTHOR: MALCOLM COE, DIRECTOR OF INVESTMENT AND CORPORATE SERVICES

Purpose of Report

- 1.1 To consider business cases for the following schemes seeking approval for funding through the Local Growth Fund and to update on other externally funded grant programmes:
- MetroWest Phase 1
 - Invest Bristol and Bath
 - Workforce for the Future
 - Research and Innovation Challenge Fund

Background

- 2.1 A consistent approach has been developed for the identification, development, approval and change management for schemes seeking funding through the LEP Local Growth, Economic Development and Revolving Infrastructure Funds. This involves recommendations being made by an Investment Panel comprising the Chief Executives of the Local Enterprise Partnership and the four local authorities, oversight by the LEP Board and formal decision making by the West of England Joint Committee. For schemes within the Economic Development Fund advice is provided by the four Council S151 officers as part of business case approval decision.
- 2.2 It is recognised that transparency, accountability and ensuring value for money must be central to these arrangements, and Government have set out their expectations in this regard in the 'National Local Growth Assurance Framework' guidance. The West of England Local Growth assurance framework which embrace both LEP and WECA Single Pot funding is published on the WECA [website](#).

Local Growth Fund (LGF)

- 3.1 The total West of England Growth Deal capital funding allocation across rounds 1-3 is £202.1m. The current profile of spend across the schemes within the programme is shown in Figure 1. There is an expectation that all LGF projects are substantially complete by March 2021 (the end of the LGF funding period) and a requirement that all grant funds are spent by this date. To help mitigate against slippage, an ongoing review is undertaken of all projects which are either yet to fully approved or have programme allocations. Schemes in this position have been asked to accelerate the development of business cases and provide credible delivery plans for spend and completion by March 2021. Overprogramming currently stands some £11.8m not including the Bath College Digital and Creative Innovation Centre for which a funding decision is planned when planning consent has been secured and further design undertaken.

Local Growth Fund Schemes Spend £000s	15/16	16/17	17/18		18/19	19/20	20/21	Total
	Grant Claim		16/17 Claim	17/18 Claim	Current Profile			
Transport Schemes								
MetroWest Phase 2 Development Costs	140	351	53	1,046	1,610	-	-	3,200
MetroWest Phase 1 Development Costs	3,304	3,291	251	2,001	1,750	4,941	7,159	22,697
MetroWest Phase 1 Implementation	-	-	-	-	-	-	4,624	4,624
Sustainable Transport Package 15/16	2,898	-	-	-	-	-	-	2,898
Sustainable Transport Package 16/17	-	1,934	71	1,678	36	-	-	3,719
Sustainable Transport Package 17/18	-	-	-	971	1,506	2,459	-	4,936
Sustainable Transport Package/Pinch Points programme	-	-	-	-	-	-	1,450	1,450
Pinch Points - West Wick Rbt and North South Link	-	1,783	-	-	3,163	6,365	-	11,311
Pinch Points - Aztec West Roundabout	-	1,833	269	-	-	-	-	2,102
Portway Station	-	-	-	-	-	200	353	553
Pinch Points - A4018 Corridor Improvements	-	-	-	-	-	210	2,885	3,095
Weston-super-Mare Town Centre Enhancement	-	-	-	-	267	1,100	1,433	2,800
A39 Bences Garage Junction Improvement	-	-	-	-	700	-	-	700
Weston-super-Mare: Sustainable Travel Improvements	-	-	-	-	55	395	-	450
Bromley Heath Viaduct Improvement Scheme	-	-	-	-	2,800	-	-	2,800
Keynsham Town Centre Improvements	-	-	-	-	-	544	956	1,500
South Glos Sustainable Transport Package	-	-	-	-	-	1,632	1,163	2,795
FE Skills Capital Schemes								
Weston College Future Technology Centre	2,743	-	-	-	-	-	-	2,743
Law and Professional Services Academy	5,563	13,829	-	-	-	-	-	19,392
Advanced Engineering Centre Extension	-	784	948	2,226	45	-	-	4,003
B&NES Construction Skills Centre	-	1,419	1,313	-	-	-	-	2,732
North Somerset Enterprise Technical College	-	2,177	-	-	-	-	-	2,177
Increasing the capacity of the BEMA Training Centre	-	-	-	13	-	62	-	75
Weston College Construction Skills Centre	-	-	-	-	3,271	-	-	3,271
Weston College Health and Active Living Skills Centre	-	-	-	-	5,359	-	-	5,359
South Bristol Construction Centre	-	-	-	-	-	2,070	3,930	6,000
Bath College Catering & Hospitality Training Hub	-	-	-	-	-	2,099	-	2,099
SGS STEAM Centre	-	-	-	-	-	1,209	5,192	6,401
Weston College Animal Management Training Centre	-	-	-	-	-	990	-	990
Infrastructure Schemes								
Aerospace Bristol	-	1,700	-	-	-	-	-	1,700
Superfast Broadband SGC	-	714	-	556	40	-	-	1,310
Superfast Broadband CDS	-	-	-	-	-	400	-	400
B&B Cultural Destinations Media Bank	-	14	-	87	46	-	-	147
Town Square, Weston-super-Mare	-	1,227	61	1,554	6	131	-	2,979
Saw Close Public Realm, Bath	-	112	-	-	-	-	-	112
Bath Quays Bridge	-	355	-	-	69	1,196	249	1,869
Cattle Market Road Demolition Works	-	278	95	502	-	-	-	875
Colston Hall Phase 2 Transformation Project	-	-	-	1,000	1,000	3,000	3,405	8,405
Bath Quays South Phase 1a Enabling Infrastructure	-	-	-	731	3,836	4,228	-	8,795
Bath Quays North Phase 1b Relocation of Coach Park	-	-	-	93	1,396	-	-	1,489
Bath Quays North Initial Development Works	-	-	-	-	-	6,594	-	6,594
Bath Innovation: Pioneer Project	-	-	-	-	-	-	1,796	1,796
Purchase of Land at Bristol and Bath Science Park	-	-	-	-	4,909	856	-	5,765
Innovation Schemes								
Bristol Institute of Technology, BRL and UEZ	1,952	2,548	-	-	-	-	-	4,500
Health Technology Hub	-	1,036	103	191	-	-	-	1,330
FoodWorks ^{SW} Innovation Centre	-	-	-	-	2,000	9,844	-	11,844
NTProStruct	-	2,374	1,484	-	-	-	-	3,858
Composites Bridge Construction	-	-	-	735	101	1,130	3,084	5,050
OPCR - Sensor Factory, CAV & KWMC	-	-	-	-	1,073	1,792	475	3,340
Umbrella	-	-	-	-	-	2,100	1,500	3,600
IAAPS	-	-	-	-	6,000	4,000	-	10,000
Bristol VR Lab	-	-	-	160	60	75	-	295
Quantum Technologies Innovation Centre	-	-	-	-	-	-	-	-
Grow-On2 Temporary Building	-	-	-	-	-	1,004	-	1,004
	16,600	37,759	4,648	13,544	41,098	60,626	39,654	213,929
Total Funds Available	16,600		42,407	49,832	81,658	13,575	34,312	
Change from allocation	0		0	-36,288	-40,560	47,051	5,342	11,833

Subject to approval of change request
Project completed

Figure 1 – Current LGF Spend Profile

*Full Business Cases***A4108 Corridor Improvements**

- 3.2 A draft Full Business Case has been submitted for the A4018 Corridor Improvements requesting £3.441m of LGF funding. This seeks to utilise the £1.625m previously identified for this project together with an additional £1.816m of funding from the remaining allocation for the Sustainable Transport/Pinch Points programme. It is expected that detailed design will conclude in December and that an updated final business case will be submitted at this stage for consideration by the Committee. Funding of £346,000 is requested from within the allocation to progress detailed design for which a change request will be produced.

Approve the reallocation of £1.816m of LGF funding from the Sustainable Transport/Pinch Points programme to the A4108 Corridor Improvements scheme and delegate to the WECA Chief Executive in consultation with the West of England Chief Executives the approval of a change request for up to £346,000.

*Outline Business Cases***MetroWest Phase 1**

- 3.3 With the confirmation of £31.9m of Government funding for the scheme an updated Outline Business Case (OBC) for MetroWest Phase 1 has been submitted by North Somerset Council. The scheme comprises the reopening of the Portishead line with an hourly passenger service and an upgraded half hourly service between Severn Beach and Bath Spa (with an extension to Westbury). The scheme will provide an additional 50,000 people with direct access to the rail network and there will be some 959,000 passenger trips per year on opening. The overall project cost is £116.4m and the OBC seeks an additional £11.65m of LGF, from within the overall agreed allocation, to develop the project to Full Business Case (FBC). The project also has a further allocation of £4.62m LGF, £26.079m through the Economic Development Fund and £5.86m through the WECA Investment Fund. The scheme Assessment Summary Table is shown in Appendix 1. An [OBC](#) was produced in support of the Large Local Majors bid and the Financial Case has been published on the WECA [website](#).

Recommendation to approve the Outline Business Case for MetroWest Phase 1 and award £11.65m LGF from within the agreed allocation to develop a Full Business Case subject to the supply of a detailed cost breakdown and an updated programme

Changes to Schemes within the Programme

- 3.4 Given that a full set of Highlight Report and Change Requests were considered at the June Committee meeting, these have only been sought by exception for this meeting. Two projects however report changes for consideration, which are set out below:
- **Weston-super-Mare Town Centre Transport Enhancement Scheme/Sustainable Travel Improvements** – cost pressures have arisen for the Transport Enhancement Scheme following receipt of the target cost for the scheme from the contractor and a subsequent review of costs and delivery. Whilst efforts have been made to close the funding gap through savings and additional match, it is proposed to reallocate £1.3m from the Sustainable Travel Improvements project identified for South Parade and Regent Street elements to enable the Town Centre project to proceed. Some funding remains for the Regent Street scheme and it remains the intention to seek to deliver this in the LGF timeframe, whilst for South Parade the Council are actively pursuing other funding sources. The revised LGF funding for the respective schemes is £2.8m

for the Town Centre Transport Enhancements and £450k for the Sustainable Travel Improvements.

- **North Somerset Enterprise & Technology College** - to note the change of sponsor to the Cabot Learning Federation, the aim to ensure where possible that equipment is maintained for continued use by students in that location, or access arrangements otherwise agreed, and confirm that this does not affect compliance with the terms of the grant funding.

Economic Development Fund (EDF)

Invest Bristol and Bath

- 4.1 A Full Business Case has been submitted by WECA for the Invest Bristol and Bath (IBB) service seeking funding for a five year period from April 2020. The business case seeks £5m to refocus the IBB inward investment service and seeks to realise a triple dividend from inward investment that: delivers a financial return to investors; adds to the region's competitiveness, productivity and exports and provides inclusive opportunities for jobs, skill development and career progression for the area's residents. It is forecast that some 200 businesses could be successfully landed in the area and overall 5,900 jobs enabled by IBB over the five year period. The scheme Assessment Summary Table is shown in Appendix 2 and the FBC has been published on the WECA [website](#).

To note the submission of the Full Business Case for Invest Bristol and Bath with sustainable funding options to be considered further by the West of England s151 officers and delegate the funding award to the WECA Chief Executive in consultation with the West of England Chief Executives.

Other Externally Funded Grant Programmes

- 5.1 Two Full Business Cases have been submitted seeking funding from the Investment Fund upon which a decision is sought from the WECA Committee. These projects seek funding from the European Structural and Investment Funds (ESIF) for activities across the LEP geography.
- **Workforce for the Future** – the project seeks to enable businesses with existing and known future skills gaps and needs to address these through the provision of an extensive advice, support, and management network. It is planned to support at least 300 SME led projects which will increase employer engagement in the skills system and/or the number of people progressing into or within skills provision. The number of learner participants will be around 900 across the West of England. The £8m project seeks £4m from the European Social Fund (ESF) matched with £4m from the Investment Fund through a request to the WECA Committee. The focus, and benefits, of the project will be reflective of the match funding provided with a proportionate adjustment applied in relation to the North Somerset area. The Scheme Assessment Summary Table is shown in Appendix 3 and the FBC has been published on the WECA [website](#)

Recommendation to approve the Full Business Case for Workforce for the Future subject to securing ESF funding and finalising the Monitoring and Evaluation Plan and and delegate approval of grant making to the WECA Chief Executive in consultation with the West of England Chief Executives.

- **Research and Innovation Challenge Fund (RICF)** – the RICF could fund approximately 34 grants, which will be awarded to SMEs in the advanced engineering

and digital innovation sector. Delivery of the RICF 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. The project has an overall value of £2.46m of which £242,000 is requested from the Investment Fund through a request to the WECA Committee, with £943,000 sought from the European Regional Development Fund (ERDF). Similar to Workforce for the Future, the focus, and benefits, of the project will be reflective of the match funding provided with a proportionate adjustment applied in relation to the North Somerset area. 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 Research and Innovation Challenge Fund subject to securing ERDF funding and delegate approval of grant making to the WECA Chief Executive in consultation with the West of England Chief Executives.

Consultation:

- 6.1 Consultation has been undertaken with the Chief Executive Officers and four Section 151 Officers across the West of England alongside the WECA Statutory Finance Officer and Monitoring Officer.

Other Options Considered:

- 7.1 Each project is required to undertake an options assessment, and to set out the rationale for the preferred option within the Outline and Full Business Case. Similarly requests for change include a description of other potential options and why the chosen option is proposed.

Risk Management/Assessment:

- 8.1 Each project in the programme is required to set out their approach to risk management and provide a risk register which is reviewed as part of the business case approval process. Key risks for each scheme are reported as part of the quarterly highlight report. Programme level risks are considered at each meeting of the Investment Panel.

Public Sector Equality Duties:

- 9.1 For projects seeking funding via the LGF, EDF or RIF scheme promoters are required to include as part of their FBC, an equality and diversity assessment and plan. These assessments are [published](#) on the LEP website.

Economic Impact Assessment:

- 10.1 Supporting economic growth is central to the One Front Door funding streams, and promoters are required to include an economic case within the FBCs 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 LEP website at the point of decision making

Finance Implications:

- 11.1 The specific financial implications are set out in the Body of this report.

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

Legal Implications:

12.1 There are no additional legal implications arising from this report.

Advice given by: Shahzia Daya, Monitoring Officer, WECA

Land/Property Implications;

13.1 All land and property implications are set out within the specific business cases and dealt with by the scheme promoters.

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

Human Resources Implications:

14.1 There are no direct human resource implications arising from this report.

Recommendations:

The Committee is asked to:

1. **Approve the reallocation of £1.816m of LGF funding from the Sustainable Transport/Pinch Points programme to the A4108 Corridor Improvements scheme and delegate to the WECA Chief Executive in consultation with the West of England Chief Executives the approval of a change request for up to £346,000.**
2. **Approve the Outline Business Case for MetroWest Phase1 and award £11.65m LGF from within the agreed allocation to develop a Full Business Case subject to the supply of a detailed cost breakdown and an updated programme**
3. **Approve the changes to schemes in the LGF programme set out in paragraph 4.1.**
4. **To note the submission of the Full Business Case for Invest Bristol and Bath with sustainable funding options to be considered further by the West of England s151 officers and delegate the funding award to the WECA Chief Executive in consultation with the West of England Chief Executives.**
5. **Approve the Full Business Case for Workforce for the Future subject to securing ESF funding and finalising the Monitoring and Evaluation Plan and to delegate approval of grant making to the WECA Chief Executive in consultation with the West of England Chief Executives.**
6. **Approve the Full Business Case for the Research and Innovation Challenge Fund subject to securing ERDF funding and delegate approval of grant making to the WECA Chief Executive in consultation with the West of England Chief Executives.**

Appendices

- Appendix 1: MetroWest Phase 1 – Assessment Summary Table
- Appendix 2: Invest Bristol and Bath – Assessment Summary Table
- Appendix 3: Workforce for the Future – Assessment Summary Table
- Appendix 4: Research and Challenge Innovation Fund - Assessment Summary Table

Report Author: Malcolm Coe, Director of Investment and Corporate Services

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the Contact Officer for the meeting who is **Pete Davis** and who is available by telephoning 0117 426210; writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email:

democratic.services@westofengland-ca.gov.uk

Appendix 1 - Business Case Assessment Summary Table


Scheme Details		Appraisal Summary		Recommendation/ Conditions	
Project Name	MetroWest Phase 1	Strategic Case	<p>The project has strong strategic fit with the Joint Local Transport Plan, Council Core Strategies/Corporate Plans and the Strategic Economic Plan.</p> <p>The noted benefits of the scheme are:</p> <ul style="list-style-type: none"> • An increased local economy • Enhanced rail capacity • A reliable and more frequent public transport service • Reduced highway congestion on arterial corridors • Competitive journey times • Improved accessibility to sites for new homes/employment development • Reduced overall environmental impact, resulting in improved air quality • An attractive mode choice and capacity for journeys to work • Wide ranging social/health benefits 	Funding Source(s)	£16,724,430 Local Growth Fund (excluding costs claimed to March 2019), £26.079m Economic Development Fund and £5.86m Investment Fund
Scheme Promoter	North Somerset Council/WECA	State Aid	The scheme will provide open access public infrastructure.	Approval Requested	Outline Business Case
Date of Submission	7/6/19	Economic Case and Value for Money	<p>The scheme presents a core BCR of 2.21 representing 'high' value for money. The Adjusted BCR is 3.10 when wider impacts are included.</p> <p>It appears there are a number of factors which may result in a lower Initial BCR than reported, and it is expected that these will be taken into account in the FBC. However, in the absence of the updated assessments, the possibility that the Initial BCR for the Core Scenario will fall below 2.0 cannot be discounted.</p>	Grant Award	£11,650,149 LGF
Funding Requested	£11,650,149 LGF to progress to				

	Full Business Case		<p>If this were the case, then the scheme would be relying on wider economic impacts and option values to provide an Adjusted BCR over 2.0. It is noted that the benefits currently resulting from these are significant (including £68.4m of agglomeration benefits and £25.5m of option values). It appears appropriate to include both of these benefits but the methodologies used to derive these values have not been reviewed at this time.</p> <p>The Value for Money Statement is shown below.</p> <p>A letter has been provided by North Somerset Council's s151 officer confirming approval of the business case including the value for money statement.</p>		
Total Scheme Cost	£100.265m (excluding £16.16m pre OBC)	Risk	<p>A Quantified Cost Risk Assessment (QCRA) has been undertaken yielding a risk allowance of £20.22m (20%) which is allowed for in the project costs.</p> <p>An additional £15m is to be identified by NSC for which it is assumed the backstop position would be through EDF substitution.</p>	Grant Recipient	North Somerset Council
Match Funding %	45-58%	Delivery	<p>The scheme is jointly promoted by North Somerset Council and WECA.</p> <p>A detailed programme is required which should be provided on submission of the DCO application.</p>	Payment Basis	LGF Quarterly in arrears on defrayed expenditure

ITEM 11

<i>Scheme Description</i>	<i>Recommendation to Joint Committee</i>	Conditional approval of the OBC
<p>MetroWest Phase 1 will deliver a strategic enhancement to the West of England local rail network. The scheme will increase the UK passenger rail network by 14 kilometres, deliver two new stations and enhance the service frequency for 16 existing stations, across three local lines. The scope of MetroWest Phase 1 includes the delivery of infrastructure and passenger train operations to provide:</p> <ul style="list-style-type: none"> • A half hourly service for the Severn Beach Line (hourly for St. Andrews Road station and Severn Beach station). • A half hourly service for Keynsham and Oldfield Park stations on the Bath Spa to Bristol Line. • An hourly service for a reopened Portishead Line with new stations at Portishead and Pill. 	<i>Conditions of Approval</i>	The supply of a detailed cost breakdown and an updated programme

Record of Approval

<i>WECA S151 Officer</i>		<i>Joint Committee</i>	
<i>Name</i>	Malcolm Coe	<i>Date of Meeting</i>	19 July 2019
<i>Date</i>	9 July 2019	<i>Decision</i>	
<i>Signature</i>			

MetroWest Phase 1 - Value for Money Statement

Criteria	Description
Value for Money/Value for Money when Wider impacts are included	High/High
NPV	£141.40 million
Initial BCR	2.21
Adjusted BCR (With Wider Impacts)	3.10
Summary of the benefits and costs	<ul style="list-style-type: none"> • Rail transport user benefits (around 82% of the total benefits excluding wider impacts) • Highway transport user benefits (21% of total excluding benefits excluding wider impacts) • Wider Economic Impacts £78.96 million <ul style="list-style-type: none"> • Option Values £25.5m <p>Operating costs are more significant than capital costs in the economic case, though not by much (56% operating cost versus 44% capital cost).</p>
Significant non-monetised impacts	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.
Key risks, sensitivities and uncertainties underlying the appraisal	<ul style="list-style-type: none"> • Operating cost assumptions - potential scope for greater synergies with existing services to reduce staffing and maintenance costs • Rail demand forecasts, in particular future year growth in demand at new and existing stations • Future year fare assumptions
Significant social distributional impacts	Analysis indicates that scheme impacts are relatively evenly distributed across income, social and user groups. User benefit distributional impact is moderate beneficial, noise and air quality are minor adverse, other impacts are all neutral.

Appendix 2 - Business Case Assessment Summary Table


Scheme Details		Appraisal Summary		Recommendation/ Conditions	
Project Name	Invest Bristol and Bath (IBB)	Strategic Case	<p>It is noted that the IBB service has been co-designed by all four UAs, the LEP and subsequently WECA, has continually adapted itself to fit regional strategic focus as it has emerged, including the Strategic Economic Plan, Joint Spatial Plan, Joint Local Transport Plan and emerging Local Industrial Strategy.</p> <p>The service mission is 'To identify, attract and support investments by companies in advanced industrial sectors and financial and professional services which realise the triple dividend of commercial value for investors and economic and community value for the region and the UK.' The identified objectives to deliver the mission are to:</p> <ul style="list-style-type: none"> • Identify compelling, business led investment opportunities for which the region has the greatest chance of securing high value investment projects. • Generate investor leads and focus account management on firms qualified against the high value investment opportunities • Assemble national, regional and local bespoke pre and post landing services to maximise benefits from investment in the region for investors, the regional and UK economy and residents. • Define and measure the value of investment, and the service, on its economic and social impacts. 	Funding Source(s)	Economic Development Fund/ Investment Fund
Scheme Promoter	WECA	State Aid	It is stated that IBB is a public sector service.	Approval Requested	Full Business Case

Date of Submission	14/6/19	Economic Case and Value for Money	<p>The business case forecasts that 790 leads will be generated and 195 successful landings or expansions in the West of England area will be achieved by IBB over the 5 year period. These activities are forecast to enable 5,900 jobs which is in line with levels achieved over the previous years of operation.</p> <p>Comparing these to the cost provides a cost per job enabled of £850. It should however be noted that these are jobs enabled rather than directly created and that other public investment, particularly for those locating in the Enterprise Zone and Areas, will be contributing to this job outcome.</p> <p>A letter has been provided by the Head of Business and Skills which confirms the project represents good value for money in the use of public resources.</p>	Grant Award	To be confirmed
Funding Requested	£5m (Staff including overheads £3.045m, Sector specialists/ consultants £850k, Campaigns and promotion £880k, Research and intelligence £225k)				
Total Scheme Cost	£5m (with grant profiled £1m per year over 20/21 – 24/25)	Risk	<p>A risk register has been provided which includes the main risks for the project.</p> <p>This project rolls forward the IBB service, albeit with a refocused approach, and as such risks should be well understood.</p>	Grant Recipient	WECA
Match Funding %	0% (although some in-kind contributions are expected)	Delivery	<p>The funding commences in April 2020, when the current EDF funding arrangement ceases. The majority of the staff in the team are already in place, aside from a new Service Lead for Enterprise, Trade and Investment who is being recruited.</p>	Payment Basis	N/A

ITEM 11

<i>Scheme Description</i>	<i>Recommendation to Joint Committee</i>	Sustainable funding options to be considered further by WoE s151 officers
<p>This project seeks to refocus the Invest in Bristol and Bath inward investment service to realise a triple dividend from inward investment that: delivers a financial return to investors; adds to the region's competitiveness, productivity and exports and provides inclusive opportunities for jobs, skill development and career progression for the regions' residents. The service will provide investors with a seamless service delivered by specialist staff (based in the Invest in Bristol and Bath, skills and education and Growth Hub teams in WECA's Business and Skills Directorate) and the UAs working in partnership with colleagues in the Department for International Trade (DIT), Universities, Colleges and private sector firms.</p> <p>The proposed service activities will comprise:</p> <ul style="list-style-type: none"> • Pre-Sales - engagement of DIT, specialist industrial centres, Universities and leading firms to research and identify compelling commercial investment opportunities, match the opportunities with pre-qualified overseas investors and advise on appropriate marketing campaigns. • Sales - a proactive sales service to raise awareness of the region as a location for investment and promote and present the investment cases for the region • A responsive enquiry handling service to prioritise enquires and provide prompt and appropriate responses. • An account management service for existing Foreign Direct Investment (FDI), significant UK firms and fast-growing firms to provide businesses with access to business and skill support services. 	<i>Conditions of Approval</i>	N/A

Record of Approval

<i>WECA S151 Officer</i>		<i>WECA Committee</i>	
<i>Name</i>	Malcolm Coe	<i>Date of Meeting</i>	19 July 2019
<i>Date</i>	9 July 2019	<i>Decision</i>	
<i>Signature</i>			


Appendix 3 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
Project Name	Workforce for the Future (WTF)	Strategic Case	<p>The Business & Skills pillar within the WECA Business Plan includes the objectives 'Improving skills and knowledge supply to meet existing and future demands' and 'A joined up education and skills system that meets the region's business needs.'</p> <p>The national European Social Fund (ESF) Operating Programme sets out, under its priority of "Improving the labour market relevance of education and training systems" that it focuses on improving employer participation and engagement in learning so that it is responsive to the needs of the local economy and individual's progress into or within learning.</p> <p>WTF will help address these strategic objectives in a number of ways including through addressing and achieving:</p> <ul style="list-style-type: none"> • The perceived failure of information between what adult learners chose to study and the current and future, most productive, job vacancies that exist or will arise. • SME workforce planning and abilities enabling them to better prepare for and meet future skills needs by making them aware of the full range of options available to develop their workforce. • Increasing SME investment into training particularly at higher levels. • Improved capacity in SMEs to provide placement/internship opportunities and enhance the contribution of advanced skills to SME • More and better opportunities to encourage and increase work experience, traineeships, apprenticeships, and placements 	Funding Source(s)	Investment Fund

Scheme Promoter	WECA	State Aid	A 'no aid' position is presented as WFTF is considered to not be of an economic nature. It is noted that State Aid will be tested through the ESF application process.	Approval Requested	Full Business Case
Date of Submission	28/5/19	Economic Case and Value for Money	<p>The FBC draws on research from London Economics which suggests the average lifetime NPV, financial gain to an individual of progression (subdivided by levels and NVQ/apprenticeships). This £ uplift is applied to the up to 900 learners to give £67.5m of benefits. When compared to the £8m cost this provides a return to the individual of £7.85 per £1 of public investment.</p> <p>Allowing for not all progressions happening, and for deadweight, and taking a conservative view yields a return per £ of investment of £3.92.</p> <p>In terms of costs per project output, these are £20k per SME engagement and £27k per SME project.</p> <p>A letter has been provided by the Head of Business and Skills which confirms the project represents good value for money in the use of public resources.</p>	Grant Award	£4m
Funding Requested	£4m (Staff including overheads £461k, Costs of Partnership Organisations £3.5m, marketing £39k)				
Total Scheme Cost	£8m (with grant spend £410k 19/20, £1.775m 20/21, £1.435m 21/22 and £380k 22/23)	Risk	<p>A high level risk register has been provided which should be developed further with specific risks as plans for the delivery of the project are better defined.</p> <p>A high level cost breakdown has been provided but no risk or contingency allowance is separately identified.</p>	Grant Recipient	WECA

Match Funding %	50%	Delivery	<p>The outcome of the ESF funding application is expected to be known in July.</p> <p>WECA will lead the project with delivery planned through external intermediaries selected following an open and transparent grant process, together with the Careers Enterprise Company and Growth Hub.</p> <p>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.</p>	Payment Basis	N/A
Scheme Description				Recommendation to Joint Committee	Approval subject to conditions
<p>WTFE will create a revenue resource (people, capacity, support networks) that is able to engage with SMEs, learners and providers of adult learning. The project deliverers will engage with SMEs, using social media channels, the Growth Hub, brokerage into existing networks and other appropriate methods, to help them engage better, in nearly all respects, with the learning and skills system better enabling them to meet their current and future skills needs.</p> <p>The project will deliver at least 300 measurable “projects” completed by SMEs which increase employer engagement; and/or the number of people progressing into or within skills provision. The number of people progressing into or within skills provision as a result of these projects is forecast to be 900, with 450 progressing from level 1 to level 2 and another 450 moving from level 2 to level 3.</p>				Conditions of Approval	<p>a) Securing ESF funding</p> <p>b) Finalising the Monitoring and Evaluation Plan</p>

Record of Approval

WECA S151 Officer		WECA Committee	
Name	Malcolm Coe	Date of Meeting	19 July 2019
Date	9 July 2019	Decision	
Signature			

Appendix 4 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
Project Name	Research and Innovation Challenge Fund (RICF)	Strategic Case	<p>Market failure is well addressed, and the strategic fit with the emerging Local Industrial Strategy, European Structural and Investment Fund (ESIF) strategy and the South West England and South East Wales Science and Innovation Audit is clear</p> <p>Suitable SMEs will be identified by utilising networks including the Growth Hub, SETsquared, Local Authorities and Bath's 'Business Acceleration Hubs'. The RICF will target the advanced engineering and digital sectors.</p>	Funding Source(s)	Investment Fund
Scheme Promoter	WECA	State Aid	<p>It is noted that grant funding beneficiaries are deemed 'economic undertakings' but that Article 28 Innovation Aid or 25 Research and Development Projects of GBER could apply, or otherwise owing to the value of the grants the de minimis threshold will be applied.</p>	Approval Requested	Full Business Case

Date of Submission	4/6/19	Economic Case and Value for Money	Work by PWC has calculated that £1 of business investment creates £2.15-£2.25 of benefits within the WoE and £0.60-£0.95 to the rest of the UK. The RICF is enabling £2.075m of research and innovation spend which equates to a some £5.7m of benefits (£4.5m WoE and £1.2m more widely).	Grant Award	£241,698
Funding Requested	£241,698 (£203k Staffing, £39k Technical/ Procurement Support)		As an alternative approach, application of the AMORE model with reference to the advanced engineering and digital engineering sectors has estimated, with caveats, that the RICF could create up to 14 new jobs and up to £1 million additional GVA. The cost per SME supported is £45k based upon the ERDF, Investment Fund and SETsquared match. The project also targets 4 research collaborations, 6 new to the market products and 12 new to the firm products. A letter has been provided by the Head of Business and Skills which confirms the project represents good value for money in the use of public resources.		
Total Scheme Cost	£ 2,460,175 (with grant spend £16k 19/20, £63k 20/21, £93k 21/22 and £70k 22/23)	Risk	A risk register is provided which identifies 9 risks. Whilst adequate at this stage the risk register should be expanded, and detail added around the more specific risks as the project moves to the delivery phase. There is no specific allocation for risk or contingency within the project costs.	Grant Recipient	WECA
Match Funding %	90%	Delivery	The project seeks £943k through the European Regional Development Fund (ERDF) which will lever £1.245m of SME match funding through the grant awards. The deadline for submitting the ESF bid is 15 July and the funding decision is expected to be known in September 2019. The governance arrangements remain to be finalised.	Payment Basis	N/A

		Confirmation has been provided that the £30k of SETsquared match funding is in place. The project will be delivered over three years, starting in January 2020 and completing December in 2022. A detailed programme has been provided which appears robust and achievable.		
Scheme Description			Recommendation to Joint Committee	Approval subject to conditions
The Research & Innovation Challenge Fund (RICF) will award approximately 34 small, medium and large grants to Small and Medium Sized Enterprises (SMEs) in the West of England LEP area to undertake research and innovation activities, leading to more SMEs carrying out innovative activities resulting in new products and processes being introduced to market, further research collaborations and high value job creation. The RICF will align closely with the emerging Local Industrial Strategy's innovation theme.			Conditions of Approval	a) Securing ERDF funding

Record of Approval

WECA S151 Officer		WECA Committee	
Name	Malcolm Coe	Date of Meeting	19 July 2019
Date	9 July 2019	Decision	
Signature	