

## WEST OF ENGLAND JOINT COMMITTEE

19 JULY 2019

### REPORT SUMMARY SHEET

#### BUSINESS PLAN 2019/20 – QUARTER 1 PROGRESS REPORT

##### Purpose

To provide an update on progress in delivering the West of England Combined Authority business plan for 2019/20 during quarter one (April – June 2019).

##### Summary

- \* The Business Plan was approved by the West of England Combined Authority Committee and the Joint Committee on 1 February 2019.
- \* The Business Plan supports delivery of the operating framework and sets out the key deliverables during 2019/20 for business, skills, housing and transport.
- \* Regular reporting on progress in delivering the Business Plan is a key element of the Combined Authority's overall performance management and operating framework, which is reviewed annually with Government.
- \* The detail of the first quarterly report is set out at Appendix 1.
- \* The key risks to delivery are recorded in the Corporate Risk Register and are set out at Appendix 2.

##### Recommendation

Members of the Joint Committee are asked to note the first quarterly update on delivery of the 2019/20 Business Plan.

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**REPORT TO: WECA and JOINT COMMITTEE**

**DATE: 19 JULY 2019**

**REPORT TITLE: BUSINESS PLAN 2019-20 - QUARTER 1 PROGRESS REPORT**

**DIRECTOR: JESSICA LEE, HEAD OF STRATEGY & POLICY**

**AUTHOR: LYNDA BIRD, HEAD OF PERFORMANCE, PLANNING & PROJECTS**

### **Purpose of Report**

- 1 This report provides an update to both WECA and the Joint Committee on progress in delivering the West of England Combined Authority Business Plan for 2019/20 during Quarter One (April – June 2019).

### **Recommendation**

- The Committee are asked to note the first quarterly update on delivery of the 2019/20 Business Plan.

### **Background / Issues for Consideration**

- 2 The West of England Combined Authority business plan was agreed by WECA and Joint Committee on 1<sup>st</sup> February 2019.
  - 2.1 The business plan supports delivery of the operating framework and sets out the key deliverables during 19/20 for business, skills, housing and transport, as well as the enabling corporate activities.
  - 2.2 Regular reporting on progress in delivering against the business plan is a key element of WECA's overall performance management and reporting framework which is reviewed annual with Government.
  - 2.3 A detailed annual report covering activity in the the business plan for 2018/19 was provided to WECA and Joint Committee on 14<sup>th</sup> June 2019.
  - 2.4 This first quarterly report for the 19/20 financial year is provided at Appendix 1. This covers the period 1<sup>st</sup> April 2019 to 30<sup>th</sup> June 2019. Quarterly reports are provided as a highlight report summarising:

- key achievements in the reporting period
- significant exceptions to delivery, with mitigating actions
- upcoming activities for the next quarter
- where activities are specific to WECA, Joint Committee, or both

### **Consultation**

- 3 The highlight report has been shared with the West of England Chief Executives and will be shared with the WECA Overview and Scrutiny Committee in advance of the Committee meetings.

### **Other Options Considered**

- 4 None

### **Risk Management/Assessment**

- 5 The key risks to delivery of the business plan are recorded in the Corporate Risk Register and provided as Appendix 2 to this report. These are reviewed on a monthly basis by the WECA Senior Management Team.

### **Public Sector Equality Duties**

- 6 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

- 6.1 The Act explains that having due regard for advancing equality involves:

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

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

- 6.3 The WECA Equalities framework will be taken to the appropriate Advisory Board before it is finalised. Equality Impact Assessments for individual projects and activities identified in the plan will be undertaken as appropriate through the project assurance process.

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

- 7 Activities within the 2019/20 business plan are covered from existing budget allocations. There are no additional financial implications arising from this report.

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

### **Legal Implications:**

- 8 The business plan provides a framework for WECA to implement devolved decision making. Consultation and consideration of relevant statutory duties will be undertaken as appropriate throughout the decision-making process.

Advice given by: Shahzia Daya, Director of Legal Services

### **Land/property implications**

- 9 None arising from this report, but the impact of individual schemes will be assessed through existing planning processes.

Advice given by: David Carter, Director of Infrastructure

### **Human Resources Implications:**

- 10 Activities within the 2019/20 business plan are supported through existing resources. Where individual projects may have workforce implications these will be identified and discussed with relevant Directors to ensure any management of change is undertaken according to policy and best practice.

Advice given by: Alex Holly, Head of People and Assets

### **Appendices:**

Appendix 1 – WECA Business Plan – Quarter One Progress Report

Appendix 2 – Summary of WECA Corporate Risks

### **Background papers:**

[WECA Business Plan 2019-2020](#)

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

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)

## Appendix One: Business Plan Quarterly Progress Report

This report provides a summary of key achievements and details any significant exceptions to delivery together with mitigating activities for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2019. It also highlights upcoming activities. Where activities are specifically for WECA, Joint Committee, or both, this is indicated.

<b>BUSINESS &amp; SKILLS</b>
The Business and Skills Directorate is currently delivering projects to the value of around £40m (excluding on-going services). Good progress is being made in delivering against the objectives in the business plan, as highlighted in the key achievements below. A number of new projects are either recently underway or in the pipeline. The Directorate has taken a close role in helping shape the Local Industrial Strategy to ensure Business & Skills priorities are aligned with this.

<b>BUSINESS</b>
<b>Key achievements this reporting period</b>
<p><i>WECA &amp; Joint Committee</i></p> <ul style="list-style-type: none"> <li>Invest Bristol &amp; Bath - continues to attract new businesses into the region, including on-going work to support the new Channel 4 Hub. Investment pipeline of companies could potentially bring 130 new jobs to the region. A range of trade visits to generate potential investment leads include MIPIM, Paris Airshow, and a delegation to Boston/Chicago/Atlanta.</li> <li>Growth Hub - Final report for 2018/19 submitted to Government highlighting 754 businesses engaged with the Growth Hub over the year including 44 with intensive support and expansion of 'in residence' days at a range of incubator facilities across the region.</li> <li>Submission of a 'Business Basics' funding application to trial different ways to engage with SMEs to improve their productivity.</li> <li>Successful delivery of a scale-up trial with HMRC to identify and work with high-growth businesses (68 businesses identified).</li> <li>Launch of the £3.4m Low Carbon Challenge Fund, offering grants to SMEs for a variety of low carbon products and services.</li> <li>Funding application submitted for a £2.5m Research &amp; Innovation Challenge Fund, which will offer grants to SMEs to undertake R&amp;I projects and develop research collaborations.</li> <li>DCMS has approved a £1.2m extension to the 5G Smart Tourism project, which will focus on the Harbour Festival and a larger scale trial.</li> </ul>
<b>Issues to note</b>
<p><i>WECA &amp; Joint Committee</i></p> <ul style="list-style-type: none"> <li>Long-term funding to be secured for both Invest Bristol and Bath and the Growth Hub (recurrent annual funding).</li> </ul>
<b>Upcoming activity in the next quarter</b>
<p><i>WECA &amp; Joint Committee</i></p> <ul style="list-style-type: none"> <li>A range of events and investment showcases in the pipeline, including: Growth Hub Strategy Forum (Sept 19); Nuclear South West 'Delivering Sector Knowledge' (July 2019); Launch of Department for International Trade High Potential Opportunity for Robotics (July 2019); Channel 4 summit with Cardiff (July 2019); aerospace campaign including meetings in the US (Sept 2019).</li> </ul>

- Awareness raising for the Low Carbon Challenge Fund, following project launch.
- Launch of the Creative Scale-up programme, a £1.35m programme funded by DCMS to provide targeted support to 100 creative sector businesses.
- Full Bid to be submitted for the Research and Innovation Challenge Fund, which will offer small/medium/large grants to SME to undertake Research & Innovation and develop research collaborations.
- Outcome known for the Business Basics funding application.

## SKILLS

### Key achievements this reporting period

#### *WECA*

- Adult Education Budget - 41 applications for 2019/20 received by WECA and allocations agreed by WECA Committee in June 2019.
- Dedicated and targeted marketing for Future Bright has led to an increase in referrals.
- European Social Fund (ESF) funding approved for 'Workforce for the Future' to improve direct business involvement in skills planning, training and education, mentoring, inspirational activities and workforce planning. ESF will be matched by the WECA Investment Fund.
- Completion of the draft Talent Institutes feasibility report, highlighting potential transformational projects for the region and how WECA can best support these.

#### *Joint Committee*

- The Careers Hub has received further funding to expand its reach, allowing it to work with all 70 mainstream schools and colleges across the West of England.
- The draft Employment and Skills Plan is complete and out for consultation; with deadline for responses of 26th June.
- £238k secured from DCMS to launch Women into Digital Jobs, Education and Training, with the aim to reach 350 women. Delivery consortium established.

### Issues to note

#### *WECA*

- Long-term funding options being explored for Future Bright (funded as an initial pilot).

#### *Joint Committee*

- Long-term funding options for the Careers Hub being explored.

### Upcoming activity in the next quarter

#### *WECA*

- Continue to develop the Adult Education Budget strategy, policies and processes, including the in-year processes following the award of the 2019/20 allocations.
- Decision on Investment Funding for Workforce for the Future (which will match £4m ESF funding); if successful project launch scheduled for September 2019.
- Develop Future Bright Plus Business Case for potential funding beyond the initial pilot.

#### *Joint Committee*

- Progress the Local Industrial Strategy Innovation theme and potential projects with the Global Centre of Innovation Excellence. Continue to link this to the emerging conclusions arising from Talent Institutes.
- Employment and Skills Plan presented for agreement/sign off by Joint Committee (July)

2019)

- Establish a Skills Advisory Panel.

## INFRASTRUCTURE

The Infrastructure Directorate is currently delivering projects to the value of around £250m. Good progress is being made in delivering against the objectives in the business plan, as highlighted in the key achievements below. A number of new projects are either recently underway or in the pipeline from the June 2019 Investment Report. The Directorate has supported the infrastructure section of the Local Industrial Strategy to ensure existing and emerging plans, strategies and priorities are aligned with the LIS.

## TRANSPORT

The development and delivery of rail projects continues at pace with Network Rail confirming business case approval for the Bristol East Junction project. The development of management and delivery structures for overseeing the development of a Bus improvement programme has commenced to follow the success of that development for Rail.

### Key achievements this reporting period

#### *WECA*

- Phase 1 of bus strategy review completed and approach developed for phase 2
- Commenced development of bus infrastructure clarification and funding options to support commercial investment by operators.
- Funding approval for Cribbs Patchway Metrobus Extension.
- Further development of brief for stage 2 of Mass Transit study.
- Expression of interest submitted to Department for Transport for the regions' Future Mobility Zone proposal
- Response submitted to Williams Rail Review
- Funding allocated to MetroWest Phase 2 to take up to Final Business Case and for Charfield station to Governance for Railway Investment Projects (GRIP) Stage 4.
- Completion of draft route assessment for the Local Cycling and Walking Implementation Plan

#### *Joint Committee*

- Completion of consultation on the Joint Local Transport Plan (JLTP) 4 and ongoing analysis of responses
- One year since launch of M3 metrobus route (May 2018)
- Additional funding confirmed from Department for Transport for Portishead line (£31.9m)
- Strategic Rail Board set up with Unitary Authorities, GWR and Network Rail to provide coordinated approach and long term plans

### Issues to note

#### *Joint Committee*

- Revision of timescales for Bus Strategy and necessary programme and project resource implications will be reported to the committee in July.

### Upcoming activity in the next quarter

#### *WECA*

- WECA will host a visit of the President of the Institution of Civil Engineers as part of his regional tour.
- Commence development of mass transit strategic outline business case
- Funding confirmation for bus strategy phase 2 and progress work areas
- The Greater Bristol Area Rail Feasibility Study has been received in draft from the consultants undertaking the work and had identified a number of Quick Wins for station enhancements. Proposals will be reported to the Committee in either October or December

*Joint Committee*

- Completion of assessment of consultation responses for JLTP4.
- Transport input to be provided to Joint Spatial Plan Examination in Public
- Preparation of consultation material for Local Cycling and Walking Infrastructure Plan
- Development of integrated ticketing project with funding proposals to be taken to Joint Committee in July

**PLANNING AND HOUSING**

Work has continued to support the four Unitary Authorities in progressing the Joint Spatial Plan through the examination.

Development of programme boards to support our governance and enhance wider partnership working has continued at pace with the establishment of the Joint Assets Board, Housing Delivery Board and revitalised work with the Strategic Solutions Panel.

Activities to deliver the outcomes in the devolution deal and business plan continue, including the One Public Estate and Joint Assets Board work programme, progressing Infrastructure and Investment strategy work and leading on the coordination of a Green Infrastructure strategy.

**Key achievements this reporting period**

*WECA*

- WECA hosted a Placemaking Conference on 18<sup>th</sup> June to bring together over 120 senior leaders from local and national government, public and private sector to explore the region's challenges and opportunities for creating high quality new places.
- Joint Assets Board (JAB) established, with agreed terms of reference and a work programme. This is a senior level board for collaborating across the public sector to use public sector land more efficiently, transform public sector services and strengthen local communities. The JAB will drive the release of public sector land and create vehicles for developing land that provides benefits across the entire public sector.
- Innovation in Modern Methods of Construction-funding being secured for the Housing Festival.
- Housing Delivery Board have secured in principle agreement with CURO to invest the bulk of their strategic partnership allocation of £28m within West of England.

*Joint Committee*

- Joint Spatial Plan progressed to Examination hearings, with project management support, plus co-ordination of hearing statements and other hearing session preparation (including monitoring data inputs). All deadlines met.



- WECA have been allocated as mentors through the National Infrastructure Commission Cities Programme on Joint working and integrating planning and transport planning.
- West of England Joint Green Infrastructure Strategy presented at Local Nature Partnership Nature Recovery Networks (ERNs) launch on 6<sup>th</sup> June. This incorporates the work of the LNP on ERNs, and other partners including Bristol Avon Catchment Partnership, Natural England, Environment Agency and NGOs. This work is helping to promote sustainable inclusive growth and resilience and will feed into work with DEFRA for the Local Industrial Strategy..

#### **Issues to note**

- Funding options to resource the breadth of activity across the Planning and Housing team are being explored.
- Opportunities to strengthen the senior representation and engagement on work programmes with Government departments and agencies being sought.

#### **Upcoming activity in the next quarter**

##### *WECA*

- A work programme to take forward placemaking in the West of England will be developed in conjunction with key industry experts including the Architecture Centre and Creating Excellence
- Progress coordination of Strategic Masterplanning.

##### *Joint Committee*

- Support the Examination in Public on the Joint Spatial Plan
- Progress the Green Infrastructure Strategy
- Progress work on the pilot to develop the Infrastructure and Investment Delivery Plan
- Commission being undertaken through One Public Estate Funding for a small-sites housing strategy incorporating Modern Methods of Construction (MMC)
- Support development of the business case for feasibility work on MMC including the Housing Festival Expo in October 2019 and establishing an MMC pilot programme
- The Joint Assets Board will commission work on a West of England Estates Strategy

#### **CORPORATE SERVICES**

Following committee approval of the Capital Strategy in February 2019, WECA has worked closely with the Unitary Authorities to develop a priority list of projects for investment, linked to the strategic themes of the WECA Operating Model. The WECA committee will be asked to approve a 4-year priority investment programme, up to 2023, at the June and July 2019 meetings.

#### **Key achievements this reporting period**

##### *WECA*

- Investment Fund – priority projects for investment, within a four-year investment programme, were presented to and approved by committee in June 2019
- WECA budget out-turn report for 2018/19 presented to the June '19 committee – delivering a significant end of year surplus
- Statement of Accounts for 2018/19 has been published on the WECA website and will be subject to external audit in July 2019

- All cashflow and investment transactions, (Treasury Management), is now being delivered entirely within the WECA finance team with effect from April 2019

*Joint Committee*

- Working closely with Government to agree Local Industrial Strategy
- LEP budget out-turn report for 2018/19 was presented to the June '19 committee – delivering an end of year surplus to the LEP general reserve
- 'One Front Door' report was also presented to Committee in June '19 making further significant financial awards for priority projects against the Local Growth Fund and Economic Development Fund
- Good progress has been made in developing a regional construction framework contract which will enable swift and efficient access to professional construction services for the delivery of multi £m capital projects. Led by WECA, this is an excellent example of collaborative procurement involving all four West of England Unitary Councils.
- £250k agreed to support development of a diverse, resilient and affordable energy system that enables economic growth and reduces greenhouse gas emissions is the key objective set out in the basis for a West of England Energy Strategy

**Issues to note**

*WECA*

- Discussions continue regarding future year core funding with uncertainty of the current 100% Business Rates Retention pilot and Mayoral Capacity Funding beyond the 2019/20 financial year.

*Joint Committee*

- Structured over-programming of the Local Growth Fund remains in place and will be regularly reviewed, and updated, to ensure that all spend is incurred on approved projects prior to the March 2021 deadline.

**Upcoming activity in the next quarter**

*WECA*

- WECA will changing ICT providers over the next couple of months. Significant improvements are planned for automating finance and HR transactions as well as streamlining reporting processes.
- Formal audit of WECA's 2018/19 Statement of Accounts will be undertaken by Grant Thornton in July 2019;
- Investment Fund Report to July 2019 committee will propose allocations for further priority projects and set a structured four-year investment programme up to March 2023.
- The Annual Business Report to go back to WECA Committee on 19 July.

*Joint Committee*

- Further 'One Front Door' update will be provided showing the progress made against Local Growth Fund and Economic Development Fund projects
- Development of Local Industrial Strategy implementation plans

## Appendix Two: WECA Corporate Risk Register Summary Table

ID	Category	Risk Description	Risk Impact	Mitigation
WECA-R005	Financial	There is a risk that WECA is not able to optimise all funding available to deliver maximum benefit for the region. Potential risk of not being able to comply with the required conditions of specific funding streams.	The West of England is unable to realise the full benefits and opportunities of devolution.	Develop, and implement, an Investment Strategy that better links the allocation of funding to WECA priorities. Promote clearer accountability, flexibility and integration of all available funding streams including LGF, EDF, HIF, Transforming Cities and Investment Funding. Indicative 20 year financial allocations made within the February 2019 budget papers. Strengthening governance around funding approvals and draw-down.
CS-R002	Financial	Instability in the way that Government funds Combined Authorities could impact on the future sustainability of WECA. WECA capacity is currently resourced through short term funding streams - Mayoral Capacity Fund and Business Rates Retention pilot.	WECA will not be able to retain high calibre staff, balance its budget or deliver against its priorities	Discussions ongoing with HMRC and Treasury. The medium term financial plan will be updated with more detail included, as far as practicable, and forming part of the 2019/20 Budget Process. Drafting a regional response to the Government's Spending Review - majoring on the need for stability in capacity funding moving forward.
PS-R002	Financial	There is a risk that the criteria for accessing the shared prosperity fund will not be aligned with our Local Industrial Strategy	We will be unable to secure the funding required to deliver our Local Industrial Strategy	Engagement with BEIS, CLGU and LEP network to influence early thinking
INF-R001	Legal & Governance	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 known.	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
WECA-R007	Legal & Governance / Financial	Risk of Fraud, Bribery and Corruption	Financial loss, reputational damage.	Controls & prevention measures incorporated in key operational processes. Annual review of arrangements.

<b>ID</b>	<b>Category</b>	<b>Risk Description</b>	<b>Risk Impact</b>	<b>Mitigation</b>
BS-R001	Legal & Governance / Delivery	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. Current provider base destabilised. Moderate reputational damage	Readiness conditions set by Government have been met. Project team recruited. Mechanism in place to fund administrative support from the devolved budget through use of underspend. Ongoing engagement and dialogue with providers to inform future delivery. Legal advice sought and appropriate consultation undertaken. Discussions sought with Government to mitigate additional risk of lower funding allocation
WECA-R008	Delivery	There is a risk that the impact of climate change is not reflected in the plans for schemes and activities identified in the Business Plan	We will therefore not deliver a regional economy and infrastructure that is fit for a low carbon future and resilient to climate change.	We will explore ways to ensure that all projects take climate change and a low carbon future into consideration. We have allocated £250K to develop business cases for the Energy Strategy Climate Change Action Plan.
WECA-R002	Delivery	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
WECA-R003	Delivery	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
WECA-R006	Delivery	There is a risk that the unpredictable impact of Brexit on Business across the region will lead to uncertainty and lack of confidence.	Businesses may be reluctant to make decisions regarding investment in the region	WECA to convene working group and to engage with LEP Board and Business West to identify early issues and discuss approaches
WECA-R004	Delivery	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

