WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE **ITEM 15**

19 JUNE 2020

REPORT SUMMARY SHEET

INVESTMENT FUND

Purpose

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

Summary

This report includes the following key information:

- The report outlines the headroom identified from a review of the current £350m Investment Fund programme to 22/23 and the proposed:
  - allocation of £5m to the support Covid-19 economic recovery advised by the Economic Recovery Taskforce.
  - award of £2m to develop the Spatial Development Strategy/Local Transport Plan Evidence Base.
  - allocation of £300k to develop Green Infrastructure proposals.

- A package of measures to support walking and cycling through:
  - allocating £3m from the Opportunities and Challenges allocation to underwrite DfT Emergency Active Travel Funding to be repaid on receipt of these funds.
  - an allocation of £10m from the Investment Fund for walking and cycling infrastructure.

- Following previous award for the masterplanning of the Yate Urban Living Opportunity Area, the North Fringe of Bristol and South West Bristol, an award of £250k is now proposed for North Keynsham Strategic Masterplanning.

- An Outline Business Case has been produced for the I-START project which would see the development of a new facility on Bath College's City Centre Campus.

- A Full Business Case has been produced to continue and extend the Careers Hub and Enterprise Adviser Network in the 20/21 academic year.

- A delegation for grant giving is sought for the Research and Innovation Challenge Fund

- Approval is sought for a number of change requests for scheme within the current programme as set out in Appendix 2.

- The report presents the capital programme.

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- Paragraphs 9-14 of the report sets out the proposed allocation of £5m of funding to drive Covid-19 economic recovery.

- More generally supporting clean and inclusive economic growth is a key driver for the Investment Fund and all the projects within the programme will make a positive contribution to assisting the economic recovery.

- WECA will continue to review the deliverability, and priority, of its investment programme in response to Covid-19. Further updates will be provided through each committee cycle.

Recommendations

The Committee is asked to:

1. Allocate £5m to support West of England businesses during the 2020 early phase of economic recovery advised by the Covid-19 Economic Recovery Taskforce and, where there is urgency, to delegate the approval of the business case(s) to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils.

2. Approve Feasibility and Development Funding Application for Spatial Development Strategy/Local Transport Plan Evidence Base and award of £2m and delegate the award of contracts to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils.

3. To delegate the approval of a Feasibility and Development Funding Application for £300k for the development of Green Infrastructure projects to the WECA Chief Executive in consultation with the Chief Executives of the Constituent Councils

4. To allocate £3m from the Opportunities and Challenges allocation to underwrite DfT Emergency Active Travel Funding to be repaid on receipt of these funds.

5. To allocate £10m for walking and cycling infrastructure and to delegate approval of Feasibility and Development Funding Applications up to £1m to the WECA Chief Executive in consultation with the Chief Executives of the constituent councils.

6. Approve the Feasibility and Development Funding Application for North Keynsham Masterplanning and the award of £250k.

7. Conditionally approve the I-START Outline Business Case and the award of £300k through the current Feasibility and Development Funding Application to continue to progress the design and development.

8. To approve the Careers Hub and Enterprise Adviser Network Full Business Case and award of £174k subject to the conditions set out in paragraph 32 of the report.

9. To delegate grant award decisions for the Research and Innovation Challenge Fund to the WECA Chief Executive in consultation with the West of England UA Chief Executives.

10. Approve the change requests for schemes within the current programme as set out in Appendix 2.

11. To amend the approved capital programme for individual project approvals agreed at the March Committee and within this report.

Contact officer: Malcolm Coe

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ITEM 15

REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY

DATE: 19 June 2020

REPORT TITLE: INVESTMENT FUND

AUTHOR: MALCOLM COE, DIRECTOR OF INVESTMENT AND CORPORATE SERVICES

Purpose of Report

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

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- Paragraphs 9-14 of the report sets out the proposed allocation of £5m of funding to drive Covid-19 economic recovery.
- Activity in several of the business and skills projects is being refocused to help support recovery post Covid-19. For example, the Research and Innovation Challenge Fund as detailed in paragraphs 33 to 35.
- More generally supporting clean and inclusive economic growth is a key driver for the Investment Fund and all the projects within the programme will make a positive contribution to assisting the economic recovery.
- WECA will continue to review the deliverability, and priority, of its investment programme in response to Covid-19. Further updates will be provided through each committee cycle.

Recommendations:

The Committee is asked to:

1. **Allocate £5m to support West of England businesses during the 2020 early phase of economic recovery advised by the Covid-19 Economic Recovery Taskforce and, where there is urgency, to delegate the approval of the business case(s) to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils.**

2. **Approve Feasibility and Development Funding Application for Spatial Development Strategy/Local Transport Plan Evidence Base and award of £2m and delegate the award of contracts to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils.**

3. **To delegate the approval of a Feasibility and Development Funding Application for £300k for the development of Green Infrastructure projects to the WECA Chief Executive in consultation with the Chief Executives of the Constituent Councils**

4. **To allocate £3m from the Opportunities and Challenges allocation to underwrite DfT Emergency Active Travel Funding to be repaid on receipt of these funds.**

5. **To allocate £10m for walking and cycling infrastructure and to delegate approval of Feasibility and Development Funding Applications up to £1m to the WECA Chief Executive in consultation with the Chief Executives of the constituent councils.**

6. **Approve the Feasibility and Development Funding Application for North Keynsham Masterplanning and the award of £250k.**

7. **Conditionally approve the I-START Outline Business Case and the award of £300k through the current Feasibility and Development Funding Application to continue to progress the design and development.**

8. **To approve the Careers Hub and Enterprise Adviser Network Full Business Case and award of £174k subject to the conditions set out in paragraph 32 of the report.**

9. **To delegate grant award decisions for the Research and Innovation Challenge Fund to the WECA Chief Executive in consultation with the West of England UA Chief Executives.**

10. **Approve the change requests for schemes within the current programme as set out in Appendix 2.**

11. **To amend the approved capital programme for individual project approvals agreed at the March Committee and within this report.**

Background

2. In July the Committee considered a £350m investment programme to March 2023 spanning the Investment Fund/Transforming Cities Fund. This sits within the frame of the Capital Strategy report, approved in February 2019, which set out the planned approach for establishing a thematic 20-year programme aligned with regional priority outcomes and objectives as detailed within the published WECA Operating Framework.

3. The funding available through the Investment Fund and Transforming Cities Fund over the period to 22/23 totals £350m which includes a level of structured over programming. For each allocation and award, an allowance needs to be accounted for in terms of the subsequent costs for final delivery of the full scheme, referred to as the ‘tail’ which is based upon the current opinion of the most likely level of spend that will be incurred over the next four years.

4. A summary of all of the approved and allocated funding across the Investment Fund and Transforming Cities Fund (TCF) is shown in Appendix 1 and is summarised in Figure 1. An update on the projects seeking funding is set out by theme in the sections below.

Review of Investment Fund Headroom

5. When the £350m programme was approved in July 2019 it was recognised that this would need to be kept under review to see if changes within the programme provided headroom for the inclusion of new projects or the upscaling of existing project allocations. A review of progress across the programme has been undertaken, including seeking confirmation of the deliverability of approved projects and the 'tails' for schemes currently in development. This review has identified headroom of **£9.8m** of funding which is available for reallocation to schemes in the period to 22/23.

6. In some cases, this headroom has arisen from spend being carried forward into the 23/24 financial year which will need to be taken into consideration when prioritising the next medium-term financial planning period. This equates to £6.3m against the current funding allocation of £30m for that year. The £200k previously awarded to underwrite a growth and exceptions pot for the Adult Education Budget is now not required as owing to Covid-19 providers will be paid to profile.

Figure 1: Summary of Investment Programme to 2023 by Priority Theme

	Funding Awards and Allocations £000s	
	Mar 2020	Jun 2020
Transport Infrastructure		
Approved Awards and Allocations	72,099	73,940
Associated 'tail' required to deliver all projects up to March 2023	67,491	68,877
Total Investment in Transport Infrastructure	**139,590**	**142,817**
Housing, High Streets and Green Infrastructure		
Approved Awards and Allocations	60,320	62,620
Associated 'tail' required to deliver all projects up to March 2023	24,500	26,000
Total Investment in Housing Infrastructure	**84,820**	**88,620**
Business and Skills		
Approved Awards and Allocations	74,890	77,219
Associated 'tail' required to deliver all projects up to March 2023	22,804	21,544
Total Investment in Business and Skills Infrastructure	**97,694**	**98,773**
Opportunities and Challenges / Other		
Funding put aside to respond to opportunities and challenges	**20,000**	**12,000**
Approved WECA set up, operating costs and elections up to 2023	**7,818**	**7,818**
Total Investment Programme up to March 2023	350,000	350,000

7. It is recognised that the Investment Fund programme will need to be kept under review and that more fundamental reallocations may be required in response to Covid-19 once the impacts and actions required to support economic recovery, including gaps in national programmes, are better understood.

8. A number of options have been considered for the reallocation of the current headroom and the following changes are proposed:

1) Driving the Covid-19 Economic Recovery

9. The Covid-19 pandemic has created an unprecedented challenge for the businesses, residents and public services across the West of England. WECA, the Local Enterprise Partnership (LEP) and the local Councils have been working to support businesses and residents through this crisis period and seeking to ensuring the support and infrastructure is in place to prepare for recovery. Further details of the specific actions taken and planned are set out elsewhere on this agenda.

10. It is proposed to set aside £5m for a very broad range of regional enabled measures to help businesses through the difficult times ahead, through a package of largely sector-agnostic interventions. These are planned to centre on innovation-led changes in business processes and behaviours, and have a strong focus on decarbonised, inclusive and digitally-connected recovery. The envisaged objective would be a marked increase in businesses' resilience to major disruption, including the potential scenario of start and stop of pandemic lockdown over an extended period of time.

11. Interventions are envisaged to provide a mixture of focussed grant support direct to business to carry out a range of useful activities, for example mission-based research and development, capital investment and training, alongside other mechanisms such as programmes to assist with digitisation of processes and to encourage broader business resilience, both economically and environmentally. These measures are to work alongside enhanced Growth Hub capacity by developing the interventions which respond to business need, and to complement existing recovery-relevant measures, including those led by WECA, such as Workforce for the Future, the Research and Innovation Challenge Fund and the Creative Scale-Up programme.

12. A Regional Economic Recovery Taskforce has been established bringing together WECA, the LEP, business, universities and the region's councils. The purpose of the Taskforce is to drive the region's economic recovery and to feed in to the Government's national recovery planning.

13. This Taskforce will provide the evidence base for the design and delivery of such interventions, also determining to what extent sector-specific measures are suitable to secure the region's continued competitiveness in its economic strengths to date. The Local Industrial Strategy continues to provide longer-term strategic direction for design and evaluation, confirming and accelerating a cross-sectoral challenge-based approach within the current crisis: Covid19 as an overarching acute challenge, amplifying all four grand challenges (AI/Data; Mobility; Healthy Ageing/Social Care; Climate Emergency/Decarbonisation), to be addressed by mission-oriented interventions.

14. In terms of the climate emergency specifically, an initial allocation of £250k from the Investment Fund has previously been approved to undertake further research to better understand priority areas for investment. It is proposed that when the Climate Emergency Action Plan is produced, the Investment Fund programme is reviewed to establish any gaps

in the current programme and the priority areas for investment. At this time appropriate awards or allocations from the Investment Fund can be considered drawing on this headroom.

Recommendation to allocate £5m to support West of England businesses during the 2020 early phase of economic recovery advised by the Covid-19 Economic Recovery Taskforce and, where there is urgency, to delegate the approval of the business case(s) to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils.

2) Spatial Development Strategy/Local Transport Plan Evidence Base

15. It is proposed that funding is awarded for the development of the Spatial Development Strategy (SDS) /Local Transport Plan Evidence Base. The West of England Authorities and WECA are required to keep the strategic planning evidence base under review and to update it as necessary so that it may appropriately inform plan-making and enable future growth and development to be delivered to best effect. A report on strategic planning is to be considered on the Joint Committee agenda. To start the next round of strategic plan making, significant technical evidence base work will be needed, alongside work on engagement and consultation. The strategic evidence base commissioned for the Joint Spatial Plan now requires renewing because some of it is dated and national policy and other circumstances have changed since it was prepared. In parallel work is required to develop the technical transport work in support of strategic plan making and Local Transport Plan.

16. Funding of £250k has already been awarded to undertake preliminary work and a Feasibility and Development Funding Application for an additional £2m to progress the required evidence base on which to inform the SDS, including procurement of a new transport model for the sub-region has been submitted for consideration by the Committee. The award of contracts for the SDS work through this award is delegated to the CEOs.

Recommendation to approve Feasibility and Development Funding Application for Spatial Development Strategy/Local Transport Plan Evidence Base and award of £2m and delegate the award of contracts to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils.

3) Green Infrastructure

17. The West of England Joint Green Infrastructure Strategy (JGIS), the endorsement of which is proposed elsewhere on this agenda, provides a framework for delivering a strategically planned and managed green infrastructure network. It is recommended that £300k is allocated from the headroom for the development of several green infrastructure proposals to Outline Business Case that fit the Investment Fund criteria and align with the wider infrastructure programme in the West of England.

Recommendation to delegate the approval of a Feasibility and Development Funding Application for £300k for the development of Green Infrastructure projects to the WECA Chief Executive in consultation with the Chief Executives of the Constituent Councils

Thematic Update

Transport

Emergency Active Travel Fund

18. As part of the £2 billion package announced to support walking, cycling and public transport, the Government has allocated £250m to an Emergency Active Travel Fund focused on

measures which could be implemented swiftly and would help ease the pressure on public transport. These could include temporary measures like pop up cycle lanes, widened pavements or junction improvements to be implemented by August 2020. The indicative share of the Fund to be received by WECA is £3.7m, however the confirmed phase 1 allocation, as at June 2020, is only £741k. To enable work to progress at pace it is proposed that £3m is underwritten by the Investment Fund Opportunities and Challenges allocation to be repaid by the DfT grant when this is received.

19. In the event that £3m is fully committed and in the unlikely event that the expected funding is not received from DfT or subject to conditions that cannot be met, some measures would need to be considered under the wider Investment Fund criteria and process, including an assessment of impact. Provided that the temporary measures being developed have the potential to become permanent and be extended to become integrated parts of the public realm and transport network, then they would lend themselves to this funding stream and the link with the proposed capital allocation set out below.

    Recommendation to allocate £3m from the Opportunities and Challenges allocation to underwrite DfT Emergency Active Travel Funding to be repaid on receipt of these funds.

Funding for Walking and Cycling

20. In addition to the funding to support immediate changes to support active travel, it is planned to bring forward a package of permanent walking and cycling improvements to support Covid-19 recovery. It is proposed to allocate £10m of the Investment Fund for these measures utilising £5m already earmarked for walking and cycling within the programme and a further £5m from the Opportunities and Challenges allocation.

21. To enable to work to swiftly progress, is proposed that up to £1m is allocated to develop these packages of improvements within the three Councils to Full Business Case, and that approval of Feasibility and Development Funding Applications up this value is delegated to the WECA Chief Executive in consultation with the Chief Executives of the constituent councils. This builds upon the £100k of funding to develop options already awarded to WECA.

22. The packages will focus on schemes which are deliverable, present a strong value for money case, align with the Joint Local Transport Plan and where appropriate the Local Cycling and Walking Infrastructure Plan (seeking approval elsewhere on this agenda) and support our transition to zero carbon and inclusive growth. Given that the funding is expected to be used to develop scalable packages of measures, it is proposed that the £10m is allocated based upon a mix of geographical spread, together with an element related to best alignment with the criteria above and scope for impact.

23. It is expected that further funding will be forthcoming from the £1.75bn DfT Walking and Cycling Funding Capital pot and this could significantly extend the funding available beyond this initial allocation.

    Recommendation to allocate £10m for walking and cycling infrastructure and to delegate approval of Feasibility and Development Funding Applications up to £1m to the WECA Chief Executive in consultation with the Chief Executives of the constituent councils.

Other Transport Projects

24. There are no further transport funding decisions required at this time. However, the Bus Infrastructure Investment report on this agenda outlines progress with previous funding awards to develop Mass Transit, bus infrastructure proposals and the recommendation to focus the previously allocated Housing Infrastructure Fund match funding on the Bristol to

Bath Strategic Corridor. The Strategic Rail Investment report sets out proposals related to bringing forward MetroWest Phases 1 and 2, the Bristol Temple Meads Eastern Entrance and the Access for All station improvements which all benefit from the Investment Fund.

Housing, High Streets and Green Infrastructure

Scheme in Development

North Keynsham Strategic Masterplanning

25. A Feasibility and Development Funding Application has been submitted by Bath & North East Somerset Council for the masterplanning of North Keynsham. The funding would be used to deliver an updated North Keynsham Strategic Planning Framework in November and a Masterplan Report in June 2021. This builds upon previous Investment Fund awards for the masterplanning of the Yate Urban Living Opportunity Area, the North Fringe of Bristol and South West Bristol. The application seeks £250k which can be accommodated through the remaining allocation for masterplanning within the agreed programme.

Recommendation to approve the Feasibility and Development Funding Application for North Keynsham Masterplanning and the award of £250k.

Schemes in Delivery

Land Acquisition Fund

26. A Land Acquisition Fund (LAF) was approved by the WECA Committee in November 2018 aimed at accelerating and influencing housing development with an added intention of attracting further external funding and investment into the region. Following the award of £8.3m to B&NES for the acquisition of Bath Riverside, a balance of £7.88m remains in the Land Acquisition Fund in the current programme to 22/23.

27. It was previously agreed that B&NES would have first call on these funds this year, and the Council are exploring several options. These options include WECA co-promoting an acquisition and working alongside B&NES to bring forward the site and the delivery of homes, sharing the risk and any uplift in value secured

28. The WECA Committee in February 2019 agreed that where there was urgency, to delegate the approval of the business case and award of funding to the WECA Chief Executive in consultation with the constituent Council Chief Executives. Should approval be required outside of the Committee cycle this delegation will be utilised and a report be brought back to the next Committee.

Business and Skills

Schemes in Development

I-START

29. An Outline Business Case has been submitted by B&NES for the I-START project which would see the development of a new facility on Bath College's City Centre Campus, providing a home for the SETsquared University of Bath Innovation Centre; a new, disruptive adult Skills offer (learning levels 4-7) developed/delivered by all partners; and a collaborative University of Bath/ Bath Spa University research presence in the City. The Business Case will be developed further, including a review in light of Covid-19 and firming up the funding strategy.

30. It is recommended the Business Case is conditionally approved and further funding of £300k is awarded through the current Feasibility and Development Funding Application to progress this development and design which can be accommodated within the agreed Business and Skills allocation. This work is to be undertaken in collaboration with WECA officers to ensure alignment with both the Local Industrial Strategy and the new Regional Economic Recovery Taskforce, to maximise synergies with other regional activity, and fit with local economic renewal activity.

31. The Outline Business Case is to be reported back to a future meeting of the WECA Committee for full approval and to release the balance of the funding sought to develop the Full Business Case.

Recommendation to conditionally approve the I-START Outline Business Case and the award of £300k through the current Feasibility and Development Funding Application to continue to progress the design and development.

Schemes in Delivery

Careers Hub and Enterprise Adviser Network

32. The Careers Hub collaborates with partners in the business, public, education and voluntary sectors to ensure young people have the skills, information and inspiration they need to have high expectations, make well informed decisions about their future and improve career outcomes. The Enterprise Adviser Network supports the work of the careers hub and is made up of a group of volunteers from local employers who help schools and colleges with their career's programmes. A Full Business Case has been submitted by WECA seeking £174k to extend and develop the Careers Hub and Enterprise Adviser Network for the 20/21 academic year which aligns with the WECA Employment and Skills Plan. These funds will be match funded by £281k from the Careers Enterprise Company. The funding can be drawn from the allocation to business and skills within the agreed programme. The Scheme Assessment Summary Table is shown in Appendix 4 and the Full Business case is published on the WECA website

Recommendation to approve the Full Business Case for the Careers Hub and Enterprise Adviser Network and the award of £174k subject to:

1) *Securing the Careers Enterprise Company match funding.*
2) *Confirming the target for improvement in the Gatsby benchmarks against the non-intervention baseline.*
3) *That any further funding award should be supported by an economic appraisal that establishes outcomes and impacts, learning from this pilot where possible.*

Research and Innovation Challenge Fund

33. The Research and Innovation Challenge Fund (RICF) is a £3.29m (£1.45m European Regional Development Fund (ERDF); £242k Investment Fund; £1.6m company contributions) programme that will provide grant funding up to £50k to companies progressing Research and Development (R&D) projects leading to the creation of new products and services. Managed by WECA, it will be available across the West of England region and the programme will launch in summer 2020.

34. The programme has already undergone some re-profiling to widen its scope to ensure it is an important part of the region's Covid-19 recovery package. Whilst continuing to emphasise the importance of the advanced engineering and digital sectors for the West of England, the RICF

is now able to support business projects from other sectors that are developing innovative and ambitious ideas to address the needs of society or industry resulting from coronavirus and any future major global disruption. It has also been ensured that the RICF complements the range is existing national business support initiatives.

35. The launch will signal the commencement of the first RICF grant application window, of which there will be three over 2020-2023, during which interested companies can submit their project proposals. Proposals will be appraised by an internal officer review panel, drawing on specialist advice and support where required, against i) gateway/eligibility criteria, and for business that pass this stage, ii) a full project assessment against set scoring criteria, for example strategic fit and value for money. Following this, recommendations on which proposals to support will be presented for consideration by the WECA Chief Executive in consultation with the West of England UA Chief Executives.

    Recommendation to delegate grant award decisions for the Research and Innovation Challenge Fund to the WECA Chief Executive in consultation with the West of England UA Chief Executives.

Changes to Schemes within the Current Programme

36. The WECA Committee agreed to delegate approval of changes within stated tolerances for schemes within the approved Investment Fund programme to the WECA Chief Executive in consultation with the Chief Executives of the constituent Councils. The changes which fall outside of these tolerances and require a Committee decision are set out in Appendix 3.

    Recommendation to approve the change requests for schemes within the current programme set out in Appendix 2.

Capital Monitor

37. Appendix 4 summarises the capital budget forecast for the 2019/20 and 2020/21 financial years. The changes are summarised in Figure 2.

    Recommendation to amend the approved capital programme for individual project approvals agreed at the March Committee and within this report.

Figure 2: Movements within the Approved Capital Programme

WECA & Mayoral Capital Budget	**2019/20** £000	**2020/21 +** £000
Original Budget Approved Feb 2019	19,593	23,572
Slippage from 2018/19	1,705	
Month 2 Amendments		
Bristol Temple Meads Station Eastern Entrance FBC	1,250	1,250
Somer Valley Enterprise Zone FBC	746	
Bath River Line FBC	150	
Metro West Phase 2 FBC	1,760	1,759
Charfield Station FBC	900	
Cribbs Patchway Metrobus Extension	1,900	20,000
CPPN Cycle Links	3,125	
Pothole Action Fund	662	
Month 2 Revised Budget	**31,791**	**46,581**
Month 4 Amendments		
Local Cycling & Walking FBC	100	
On Bus Contactless Payment	418	
Cribbs Patchway Metrobus Extension addition	300	
Cribbs Patchway Metrobus Extension re-phasing	11,947	(11,947)
Metrowest Ph 1 adjusted budget		(140)
Month 4 Revised Budget	**44,556**	**34,494**
Month 6 Amendments		
Housing Land Acquisition Fund (Bath Riverside)	9,000	
Great Stoke Roundabout Improvements		2,360
Month 6 Revised Budget	**53,556**	**36,854**
Month 8 Amendments		
Project Re-phasing	(3,945)	**3,945**
Month 8 Revised Budget	**49,611**	**40,799**
Month 9-12 Amendments		
Somer Valley Enterprise Zone FBC	(302)	302
CPPN Cycle Links £20k cost saving and £15 reprofiled from 18/19	(5)	
Unlocking Lockleaze Development cost increase	64	
Great Stoke Roundabout Improvements	325	(304)
Hicks Gate Roundabout	(113)	113
Wraxall Roundabout Signal Scheme FBC reprofiling and budget correction	(953)	1,063
Metrowest phase 2 (construction) IF confirmed	(1,608)	3,214
Metrowest phase 2 (operation) IF confirmed		5,938
Charfield Station reprofiled incl. 18/19	(95)	375
Local Walking and Cycling Infrastructure	(75)	75
CPPN Cycle Links (post FBC/ Delivery)	369	(369)
On Bus Contactless Payment	(99)	97
Bristol Temple Meads Station Eastern Entrance	(780)	780
Housing Land Acquisition Fund (Bath Riverside) final cost revision	(703)	
Month 12 Revised Budget	**45,636**	**52,083**

Consultation

38. Engagement has taken place with officers in the West of England Combined Authority Constituent Unitary Authorities. Section 151 Officers across the region have been fully engaged as have the Chief Executive Officers in helping to inform the prioritised projects for investment.

Other Options Considered

39. All Business Case and Change Requests are required to set out in detail the full range of options considered and the reason the preferred option has been identified.

Risk Management/Assessment

40. Specific risk assessments will be carried out as part of any feasibility studies for projects in development and business cases are required to set out the way that risks will be managed and a risk register. All projects underway will maintain a specific risk register as part of the project management and monitoring arrangements.

41. Financial risks are managed through the process for considering cost increases set out in the WECA Investment Strategy and the overall Investment Fund and Transforming Cities Fund programme will be regularly reviewed.

Public Sector Equality Duties

42. 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.

43. 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.

44. 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.

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

Finance Implications, including economic impact assessment where appropriate

46. The financial implications for each proposal are set out in the body of the report. The Investment Fund allocations and awards are accommodated within the overall spending limit of £350m available up to March 2023.

47. The WECA statutory finance officer will determine the appropriate use and apportionment of funding between the Transforming Cities Fund and Investment Fund within the overall funding available.

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

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

Legal Implications

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

    Advice given by: Shahzia Daya, Monitoring Officer, WECA

Climate Change Implications

50. On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making process.

    Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

    Will the proposal impact positively or negatively on:

    * The emission of climate changing gases?

    * The region's resilience to the effects of climate change?

    * Consumption of non-renewable resources?

    * Pollution to land, water or air?

    Particular projects will also be subject to more detailed environmental assessment/ consideration as necessary as part of their detailed project-specific management arrangements.

51. Each business case coming forward for decision on inclusion in the Investment Fund programme includes consideration of environmental sustainability which sets out how sustainability is being considered in the development of the project as well as during its operational stage.

Land /Property Implications

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

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

Human Resources Implications

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

Appendices

Appendix 1: Investment Fund Programme
Appendix 2: Change Requests for Schemes within the Current Programme
Appendix 3: Careers Enterprise Hub Extension Assessment Summary Table
Appendix 4: Capital budget Forecast for 2019/20 and 2020/21

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 07436 600313; or by writing to West of England Combined Authority, 3 Rivergate, Temple Quay, Bristol BS1 6EW; email: democratic.services@westofengland-ca.gov.uk

Appendix 1

Transport Infrastructure Projects – Awards and Allocations (£000s)

	Mar 2020	Jun 2020
Feasibility Studies		
Southern Orbital	155	155
Mass Transit Options	276	276
East of Bath Strategic Link	50	50
A420 to Bath Highway Improvements	200	200
Bristol Temple Meads Masterplan	2,000	2,000
Greater Bristol Area Rail Feasibility Study	100	100
Winterbourne/Frampton Cotterell Bypass and Coalpit Heath/ Westerleigh Bypass Study	413	413
Regional Operations Capability – Phase 1	75	75
Strategic Rail Investment	250	250
Improving Access to Bath from the East	200	200
Business Case Development		
WECA Housing Growth Mitigation Outline Business Cases	1,600	1,600
Hicks Gate Roundabout	460	460
MetroWest Phase 2	11,063	9,252#
Charfield Station	1,200	1,200
Yate Park and Ride	300	300
Strategic Park & Ride	500	500
MetroWest Phase 1	5,860	5,860
Mass Transit	1,500	1,500
Integrated Smart Ticketing	300	300
Local Cycling & Walking Infrastructure	100	1,100
Future Mobility Zone	3,900	3,900
Metrobus Consolidation	300	300
Manvers Street Regeneration	250	250
Bus Strategy Infrastructure Programme	1,700	1,700
West of England Station Enhancements Project	552	552
Schemes in Delivery		
Real Time Information System Upgrade	559	559
Cribbs Patchway Cycle Links	3,325	3,325
Cribbs Patchway MetroBus Extension	22,151	22,151
Integrated Transport Authority Functions	1,000	1,000
Short term Bus Enhancements – 2018/19 only	1,200	1,200
On-Bus Contactless Bank Card Payment	416	416
Great Stoke Roundabout Improvements	2,909	2,909

Wraxall Road Roundabout Improvements	6,887	6,887
Emergency Active Travel Fund	-	3,000

Total of all Awards and Allocations:	**72,099**	**73,940**
Associated 'Tail' for Approved Schemes in Development	**67,491**	**68,877**
Total	**139,590**	**142,817**

Schemes where awards and allocations run into 23/24 not shown on this table

Housing, High Streets and Green Infrastructure Projects – Awards and Allocations (£000s)

	Mar 20	Jun 20
Feasibility Studies		
B&NES Pilot High Streets Programme	280	280
Bedminster High Street Improvement	275	275
Kingswood High Street Improvements	268	268
Modern Methods of Construction Pilots/Trials	150	150
Strategic Planning Shared Evidence Base	250	2,250
Business Case Development		
HIF OBC – Bristol Temple Meads to Keynsham	2,700	2,700
Bristol Temple Meads Eastern Entrance	2,500	2,500
Hengrove - Housing Enabling Infrastructure	800	800
Masterplanning: Yate Urban Living Opportunity Area	500	500
Masterplanning: business case development	275	275
Masterplanning: North Fringe of Bristol	500	500
Masterplanning: South West Bristol	500	500
Strategic Masterplanning and associated delivery	250	-
Green Infrastructure	-	300
Masterplanning: Brislington and North Keynsham	-	250
Schemes in Delivery		
Bath Riverside	8,297	8,297
Lockleaze Sustainable Transport Improvements	3,915	3,915
Whitfield Tabernacle Stabilisation Works	682	682
Allocations		
Love Our High Streets	8,495	8,495
Land Acquisition Fund	7,883	7,883
Bristol to Bath A4 Strategic Corridor	21,800	21,800
Total of all Awards and Allocations:	**60,320**	**62,620**
Associated 'Tail' for Approved Schemes in Development	**24,500**	**26,000**
Total	**84,840**	**88,620**

Business and Skills Projects – Awards and Allocations (£000s)

	Mar 20	Jun 20
Feasibility Studies		
Talent Institutes	100	100
Visitor Economy/Regional Tourism	100	100
Cultural Strategy	50	50
CEIAG Research and Improvement Project	50	50
Building Employment and Enterprise Skills	20	20
Local CEIAG Action Research Activities	20	20
Apprenticeship Levy Maximisation	100	100
Business Case Development		
Hospitality & Catering Education Centre	195	195
Digital & Creative Innovation Centre	401	401
STEAM Centre SGS WISE	590	590
Somer Valley Enterprise Zone and Infrastructure	1,026	1,026
Bath Riverline	150	150
Quantum Technologies Innovation Centre+	34,974	33,974#
Energy Strategy Action Planning / Climate Change Planning	250	250
I-START	50	350
Driving the Covid-19 Economic Recovery	-	5,000
Schemes in Delivery		
Realising Our Talent	500	500
South West Institute of Future Technology	500	500
Research & Innovation Challenge Fund	242	226#
Workforce for the Future	4,000	3,600#
WE Work for Everyone	1,300	1,300
Future Bright Plus	3,600	2,700#
South Bristol Enterprise Support	483	483
Adult Education Budget Growth and Exceptions	200	0
Centre for Digital Engineering Technology & Innovation	5,000	5,000
LIS Productivity Challenge Delivery Programme	2,737	2,737
Careers Hub and Enterprise Adviser Network	-	174
Allocations		
Business and Skills allocation to be programmed up to 2023	18,257	17,784

Total of all Awards and Allocations:	**74,890**	**77,219**
Associated Tail for Schemes in Development	**22,804**	**21,554**
Total	**97,694**	**98,773**

Schemes where awards and allocations run into 23/24 not shown on this table

Appendix 2

Change Requests for Schemes within the Current Programme

- **Digital Engineering Technology and Innovation (DETI)**
  Scope: some of the jobs and private sector income are expected to be in the form of industrial secondments and safeguarded jobs in partner organisations. Overall FTE years reduced from 86 to a minimum of 77. The Digital Catapult is a new delivery partner. All Work Packages remain but some have changed in scope, timing and deliverables. The skills outputs are unchanged.

  Milestones: project start date revised from May to July 2020, with consequent effect on other milestones.

  Cost: reprofiling of funding to reflect later start and higher proportion of funding in year 1 [Revised profile £1.83m 20/21, £2.72m 21/22 and £435k 22/23]. Increase in capital cost element to £600k. Committed match funding has fallen from £10.175m to £8.85m but this excludes £1.65m of deferred commitments which would bring the total to £10.5m if committed.

  Approval subject to defining the split of jobs (new, safeguarded and secondees), finalising the Work Packages and the Monitoring and Evaluation Plan.

- **Bath River Line**
  Scope: The Bath River Line will now incorporate the eastern side of the city from Pulteney Weir to the villages of Batheaston and Bathampton, effectively doubling the size of the project area.

  Milestones: Reprogramming of timeframes and milestones to include additional design and associated studies for the extended project area. The Full Business Case will now be submitted in Apr 21.

  Cost: Reprofiling £150k from 19/20 to 20/21 and further funding of £200k from B&NES Council [Revised profile £903k 19/20 and £300k 20/21].

- **HIF (Bristol to Bath Strategic Growth Corridor)**
  Milestones: these have been revised following the announcement of the unsuccessful HIF bid to focus on a delivery strategy for the corridor including identification of funding and the programme for delivery.

  Cost: reprofiling £100k from 19/20 to 20/21 [Revised profile £545k 19/20 and £1,375 20/21].

- **Winterbourne, Frampton Cotterell Bypass & Coalpit Heath Westerleigh Bypass** - reprofiling £78,673 from 19/20 to 20/21 [Revised profile £153,327 19/20 and £258,673 20/21].

- **Yate Park & Ride** - reprofiling £138,074 from 20/21 to 19/20 [Revised profile £300k 19/20].

- **Research and Innovation Challenge Fund (RICF)**
  Milestones: a number of milestones have been pushed back by up to six months, as a result of the increased length of time required to secure the ERDF funding. Three further milestones have been added to provide a higher level of detail including around the individual grant windows.

  Cost: reprofiling of £11,487 from 19/20 to 2020-2024 [Revised profile £86k 20/21, £107k 21/22, £34k 22/23 and £16k 23/24].

- **CPNN Cycle Links**
  Milestones: start on site date for the A4018 element of this project delayed from Feb 20 to Jan 21, resulting in a delay to the finish on site from May 20 to Jun 21, and a delay in the completion of this scheme and the programme to Nov 21.

  Cost: reprofiling of £460k from 19/20 & 20/21 to 21/22 [Revised profile £344k 19/20, £2.321m 20/21 and £460k 21/22].

- **Workforce for the Future**
  Milestones: 4 month delay across the programme due to Covid-19.

  Cost: reprofiling forward the entire budget to reflect the programme delay [Revised profile £133k 19/20, £1.167m 20/21, £1.3m 21/22, £1m 22/23 and £400k 23/24, total £4m].

- **Integrated Ticketing** – reprofiling of £40k in 19/20 to 20/21 [Revised profile £30k 19/20 and £270k 20/21].

- **Kingswood High Street** - reprofiling of £98k from 19/20 to 20/21 [Revised profile £120k 19/20 and £148k 20/21].

- **West of England Institute of Technology**
  Milestones: delays of 6-7 months for IoT Licence and Grant Approval by DfE delayed, Joint Venture in place and Governance Partnership Board meetings, Digital Infrastructure installation starts delayed by 2 months and Finalised capital design designs in place delayed by 7 months.

  Cost: reprofiling of £152,870 from 19/20 to 20/21 [Revised profile £75,036 19/20 and £262,500 20/21].

- **Charfield Station**
  Milestones: Completion of on site surveys delayed by 13 months, Network Rail Feasibility report complete by 11 months and Construction drawings complete by 3 months to Jun 21.

  Cost: reprofiling £213k from 19/20 to 20/21 & 21/22. [Revised profile £142k 19/20, £986k 20/21 and £72k 21/22].

- **Whitfield Tabernacle Stabilisation** - reprofiling of £320k from 21/22 to 20/21. [Revised profile £345k 20/21 and £337k 21/22].

- **Keynsham Town Centre Improvement – High Street**
  Spend: Match funding increased by £160k due to additional CIL monies (new total £450k) which have been allocated to the project, reduction of £160k in Love Our High Street funding [new total £425K].

  Milestones: 5 months delay to start on site (to Aug 20) and 9 months for practical completion (to Aug 21).

- **Development of Temple Meads Masterplan**
  Spend: Reprofiling of £166k from 19/20 to 20/21 [Revised profile £584k to 19/20 and £1.416m 20/21, total £2m]. £50k reallocated from external contractors to internal staff costs.

  Milestones: Completion of feasibility study delayed by 3 months to June 2020.

Appendix 3 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
Project Name	**Careers Hub and Enterprise Adviser Extension**	***Strategic Case***	The Careers Hub collaborates with partners in the business, public, education and voluntary sectors to ensure young people have the skills, information and inspiration they need to have high expectations, make well informed decisions about their future and improve career outcomes. The Enterprise Adviser Network supports the work of the Careers Hub and is made up of a group of volunteers from local employers who help schools and colleges with their career's programmes. The project will continue the operation of the Careers Hub and Enterprise Adviser Network for the 20/21 academic year and extend the scope to all 95 schools, colleges and pupil referral units in the West of England. The project shows good alignment with the Local Industrial Strategy and the Employment and Skills Plan. The project aims to support the institutions in progressing towards attainment of 8 measures of effective careers guidance (Gatsby benchmarks).	***Funding Source(s)***	Investment Fund
Scheme Promoter	WECA	***State Aid***	The project does not constitute economic activity	***Approval Requested***	Full Business Case

Date of Submission	22/4/20	***Economic Case and Value for Money***	The economic case refers to a study by PwC which estimates the economic benefit of implementing each Gatsby benchmark although it is not possible to link this research to this intervention and provide any quantified impacts. At minimum, the target for improvement in the Gatsby benchmarks against a non-intervention baseline should be established in order that success can be measured. Any future funding award should be supported by an economic appraisal that establishes outcomes and impacts, learning from this pilot where possible. This will provide a better understanding of the benefit of this intervention against its cost. A letter has been provided by WECA's Director of Business and Skills confirming approval of the business case including the value for money statement.	***Grant Award***	£173,618
Funding Requested	£173,618 (profiled £107k 20/21 and £67k 21/22)				
Total Scheme Cost	£549,189 (Staff costs £454k; grants £95k)	***Risk***	Match funding of £375,571 is identified from the Careers Enterprise Company (CEC) but this is yet to be confirmed. The project includes staff costs and £95k for grants, that being £1k for each institution. No risk or contingency budget is identified. A risk register with 7 key risks has been provided. It is reported that risk management has been effective in the previous phases.	***Grant Recipient***	WECA
Match Funding %	68%	***Delivery***	The programme will draw on the staff resources in place within WECA with planned recruitment of an additional Enterprise Coordinator. The project is therefore well placed to begin the delivery of support in September. Institutions in North Somerset will only benefit from the CEC funding support, with the WECA schools/colleges receiving a more intensive level of engagement through the additional funding. The Monitoring and Evaluation Plan should be developed to provide a better understanding of the actual outputs (for this phase) and impacts of this project.	***Payment Basis***	N/A

ITEM 15

Scheme Description	***Recommendation to WECA Committee***	Conditional approval of the Full Business Case
This funding will extend the Careers Hub and Enterprise Adviser Network to all 95 secondary schools, colleges and pupil referral units in the West of England for the 20/21 academic year (from the 76 schools and colleges supported in 19/20). The project will support these institutions in progressing against the eight Gatsby Benchmarks, used nationally by schools to underpin their careers education, information, advice and guidance (CEIAG) provision. The CEC's role is to support schools and colleges to achieve the goals of the Government's Careers Strategy in partnership with LEP's and Combined Authorities.	***Conditions of Approval***	1) Securing the Careers Enterprise Company match funding 2) Confirming the target for improvement in the Gatsby benchmarks against the non-intervention baseline 3) That any further funding award should be supported by an economic appraisal that establishes outcomes and impacts, learning from this pilot where possible.

Record of Approval

WECA S151 Officer		***WECA Committee***	
Name	Malcolm Coe	***Date of Meeting***	19 June 2020
Date	5 June 2020	***Decision***	
Signature			

ITEM 15

Appendix 4

Capital budget Forecast for 2019/20 and 2020/21

WECA & Mayoral Capital Programme Monitor	2017/18 & 2018/19 Outturn £000	2019/20 Revised Budget £000	2020/21 + Indicative £000	Total £000	Budget Funding: Investment Fund £000	Grant £000	RCCO £000	Total £000
WECA Capital								
Infrastructure								
Business Case Development	1,885	2,105	13,796	17,786	17,786			17,786
Real Time Information	465	94	0	559	559			559
Metrowest phase 1			5,860	5,860	5,860			5,860
Cribbs Patchway MetroBus Extension		14,147	8,053	22,200	22,200			22,200
CPPN Cycle Links (post FBC/ Delivery)		494	2,631	3,125	3,125			3,125
On Bus Contactless Payment		319	97	416	416			416
Bristol Temple Meads Station Eastern Entrance		470	2,030	2,500	2,500			2,500
Housing Land Acquisition Fund (Bath Riverside)		8,297	0	8,297	8,297			8,297
Great Stoke Roundabout Improvements		316	2,044	2,360	2,360			2,360
	2,350	26,242	34,511	63,103	63,103	0	0	63,103
Business & Skills								
5G Smart Tourism	4,125	875		5,000		5,000		5,000
	4,125	875	0	5,000	0	5,000	0	5,000
Corporate Services								
Economic Model & Scheme Prioritisation	115	285	0	400	400			400
IT & Building alterations	523			523	418		105	523
	638	285	0	923	818	0	105	923
Mayoral Capital								
Highways & Transport Grants	38,047	17,572	17,572	73,191		20,475	52,716	73,191
Pothole Action Grant	2,751	662		3,413		3,413		3,413
	40,798	18,234	17,572	76,604	0	23,888	52,716	76,604
Grand Total	**47,911**	**45,636**	**52,083**	**145,630**	**63,921**	**28,888**	**52,821**	**145,630**