

# Independent Evaluation of Local Growth Interventions

West of England

Final Report



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# 1. Introduction

## Investment Funds and the Gateway Review process

- 1.1** A series of Growth and City Devolution Deals have empowered local partners across the UK to design and deliver programmes to accelerate local economic growth. These Deals have encouraged partners within functional economic areas to work more closely together.
- 1.2** As part of this approach to local economic growth, city regions and counties across the UK (referred to as ‘localities’), including the West of England, were awarded long-term investment funds. Through the devolution process, the localities were able to use these resources as they saw fit, confident that the funding was in place for 30 years (subject to the Gateway Review process). Individual projects have been appraised locally within approved assurance frameworks which have been agreed with central government.
- 1.3** Key features of the approach agreed between UK Government and localities include:
- a long-term funding commitment, with agreed overall envelope: in the case of the West of England this is a 30-year commitment, to a value of £1bn, known as the West of England Investment Fund (WEIF)
  - the first five years funding confirmed, paid in annual instalments
  - a Gateway Review after the first five years, and then every five years subsequently; for the West of England, with the investment fund starting in 2016/17, this involves a Gateway Review by March 2021
  - the understanding that future funding beyond the first five years will be subject to the outcome of Gateway Reviews and Ministerial decision-making
  - agreement that the Gateway Review is informed by a review of the impact of investments, undertaken by an independent National Evaluation Panel; in November 2016, an SQW-led consortium<sup>1</sup> was appointed to deliver the work of the National Evaluation Panel.

## The National Evaluation Panel

- 1.4** The purpose of the National Evaluation Panel is to evaluate the impact of the locally-appraised interventions on economic growth in each locality to inform the Gateway Review and Ministerial decision-making on future funding. The Panel’s work is specifically focused on the investment fund, not the full ‘Deal’ awarded in each locality.

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<sup>1</sup> The consortium includes Cambridge Econometrics, Savills, Steer, and an Academic Group (Prof Martin Boddy, University of West of England; Prof Ron Martin, University of Cambridge; Prof Philip McCann, University of Sheffield; Prof Peter Tyler, University of Cambridge; and Prof Cecilia Wong, University of Manchester).

**1.5 The focus of this report is on the impact of activities supported by the investment fund, or the progress in delivery where it is too early for impact to be established.** The work of the National Evaluation Panel does not cover the processes of decision-making or delivery mechanisms, or advising on what projects should be supported. Linked to this, it is important to be clear that the Panel has not been asked to evaluate Mayors, or Combined Authorities, or the process of devolution in specific localities (or more generally). Hence the remit of the National Evaluation Panel is tightly defined.

**1.6** The work of the National Evaluation Panel to inform the first Gateway Review has involved:

- the development of a National Evaluation Framework
- the agreement of evaluation frameworks/plans for each locality, and subsequent delivery of the agreed evaluation research by the consortium, informed by monitoring data collected by the localities
- evaluation reports on impact and progress of the investment funds.

**1.7** The National Evaluation Framework was approved by the Steering Group<sup>2</sup> of the National Evaluation Panel in August 2017. It established three principal strands of work:

- **Impact Evaluation:** assessing the extent to which interventions supported by the investment funds have generated economic outcomes and impacts for their locality
- **Progress Evaluation:** where it is too early to evidence outcomes and impacts, even at an interim stage, an assessment of the progress that interventions have made in their delivery, for example, against anticipated expenditure, delivery milestones, and in generating outputs
- **Capacity Development and Partnership Evaluation:** to provide qualitative evidence on the effects of the investment funds on local capacity development and partnership working.

## This report

**1.8** This is the Final Report for the evaluation of the West of England Investment Fund, to inform the first Gateway Review. It is the second and final output from the evaluation, following a Baseline/One Year Out Report (OYO) approved by WECA in May 2020. This Final Report draws on, and is accompanied by, four Evidence Papers, which provide more detailed findings from the evaluation. These Papers are:

- **Evidence Paper 1:** a Progress Evaluation Evidence Paper, which sets out the findings on progress of the Investment Fund against intended spend, activity and output profiles

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<sup>2</sup> The Steering Group comprises representatives from the 11 participating Localities (Glasgow City Region; Greater Cambridge Greater Manchester; Leeds City Region; Liverpool City Region; Tees Valley; Cambridgeshire and Peterborough; Cardiff Capital Region; Sheffield City Region; West Midlands; West of England) and the Cities and Local Growth Unit (CLGU) on behalf of the Government.

- **Evidence Paper 2:** a Progress Plus Evaluation Evidence Paper, which focuses on progress made by the Bath Western Riverside project
- **Evidence Paper 3:** a “Project-Up” Case Study Evaluation Evidence Paper, which summarises strategic benefits arising from a package of rail interventions funded through WEIF
- **Evidence Paper 4:** a Capacity Building and Partnership Evaluation Evidence Paper, which provides evidence on how the Investment Fund has contributed to local economic development capacity and partnership working.

**1.9** [*To be included in final version*] The draft Final Report was reviewed and commended on by WECA and the National Evaluation Panel’s Academic Group.

## COVID-19

**1.10** This evaluation covers the period from April 2016 to end-June 2020, which includes the main period of disruption over March-June 2020 caused by the COVID-19 pandemic. The effects of COVID-19 on delivery in the West of England over this period, and the potential implications for outcomes in the future have been considered in the evaluation.

**1.11** Key findings related to COVID-19 are summarised in this report, and set out in more detail in the accompanying Progress Evaluation Evidence Paper.

## Structure

**1.12** The report is structured as follows:

- Section 2. Policy and economic context
- Section 3. Overview of the Investment Fund
- Section 4. Assessment of progress
- Section 5. Wider contribution of the Investment Fund.

**1.13** Three supporting annexes are provided:

- Annex A: Mapping and commentary on the Gateway Review indicators that are covered by the Final Report of the evaluation and its accompanying Evidence Papers
- Annex B: Peer Review comments from the Panel’s Academic Group, and responses to these
- Annex C: Economic forecasts and out-turns.

## 2. Policy and economic context

### Key messages

- The West of England’s Devolution Deal was agreed with Government in 2016, which resulted in the establishment of West of England Combined Authority (WECA) in February 2017 and the election of the Mayor in May 2017.
- Following its creation, WECA embarked on a process of strategy development, building on the existing Strategic Economic Plan and an emerging Joint Spatial Plan, Joint Transport Study and the Employment and Skills Plan. The JSP was submitted for examination in April 2018; subsequently, the Inspector raised major concerns and the JSP has since been withdrawn.
- WECA’s early strategy development was paused at the request of Central Government in order to co-develop a Local Industrial Strategy (LIS). Whilst this was underway, WECA published an Operating Framework in April 2018 to guide the early deployment of WEIF. The LIS was published in July 2019. Subsequently, this has framed the use of devolved investment funds.
- The West of England Devolution Agreement stated that the city region generated some £30.8 billion in economic output (GVA) and is home to 1.1 million people at the time, and that the West of England geography closely matched the functional economy of the city region. The economy is performing strongly in aggregate, but faces challenges in relation to congestion, housing shortages, and areas of continuing disadvantage.
- A series of economic projections which were generated to provide the context for this evaluation suggest that employment has grown quickly over recent years (prior to the pandemic), but productivity performance has been poor (in line with the UK) and worse overall than was anticipated at the time the Devolution Deal was negotiated and declining in some key sectors.

### The West of England Deal and wider policy context

- 2.1** The two decades leading up to the Devolution Deal were complicated ones in terms of local strategy, governance and delivery in the West of England. This backdrop is important in understanding the journey of the last five years.
- 2.2** After the abolition of Avon County Council in 1996, formal governance across the West of England was structured around four Unitary Authorities. The 1990s and first decade of the 21<sup>st</sup> century saw a succession of overlapping area-based initiatives driven by central government along with regional scale economic and regeneration strategies. At the time, a lack of coordination and political dynamics between the four Unitary Authorities tended to frustrate effective policy implementation.

**2.3** The **West of England Local Enterprise Partnership (LEP)** was formed in 2011, following the abolition of regional development agencies and regional assemblies (which had responsibility for regional spatial strategies, which were also abolished). Business-led according to the government but locally providing a strong platform for the four local councils, the new West of England LEP developed a **Strategic Economic Plan** for the West of England as a whole (published in 2014). This focused on economic development and skills, and the infrastructure needed to support both. It established the Enterprise Zone (focused around Bristol Temple Meads station) and a range of other Enterprise Areas across the city-region. In addition, the four unitary authorities came together to start preparing the **Joint Spatial Plan** for the West of England. They also collaborated around the roll-forwards of the **Joint Transport Study**, which was published in 2017 and set out a long-term transport vision for the West of England to 2036.

**2.4** The **Devolution Deal** was agreed with Government in 2016. This resulted in the establishment of **West of England Combined Authority** (WECA – see below), and provided for various devolved powers and responsibilities:

- £1 billion of investment to deliver infrastructure to boost economic growth in the sub-region. Government committed to providing £30m a year over a 30-year period, with additional funding expected from other sources
- full responsibility for the Adult Education Budget from 2019/20, helping ensure that adult skills provision meets the needs of West of England businesses and learners
- enhanced powers to speed up delivery of new housing in line with the Joint Spatial Plan
- a Business Rates retention pilot, which allows the three unitary authorities to retain 100% of business rates (up from 50%).

**2.5** Within the Devolution Deal, the West of England placed an emphasis on realising the economic potential of Enterprise Zones and Areas (and supporting/attracting businesses more generally), delivering high quality and sustainable growth in housing (with support for key large housing sites of 1,500+ homes), labour market integration for vulnerable groups, improvements to road and rail networks, and providing a high quality bus network (including enhancing the local bus offer and smart and integrated ticketing) which are of particular relevance to the Fund.

**2.6** In February 2017, three of the four West of England unitary authorities formally came together to form the **West of England Combined Authority**<sup>3,4</sup>. The West of England Mayor, first elected

<sup>3</sup> The fourth local council, North Somerset, was unwilling to sign up to the Combined Authority – but committed to cooperating with it and remained party to the JSP and Joint Transport Strategy. It is party to the West of England Joint Committee which includes the elected West of England Mayor and the leaders of all four unitary authorities.

<sup>4</sup> WECA covers the three Unitary Authorities of South Gloucestershire, the City of Bristol, and Bath and North East Somerset, and is therefore the geographical focus of the WEIF. However, the West of England LEP area also includes North Somerset. Some of the WEIF's projects are at least partially within North Somerset, and/or are delivering benefits in North Somerset. In a few instances, project leads/partners are based in North Somerset

in May 2017, chairs the Combined Authority (whose members also include the Mayor/leaders of the three unitary authorities). WECA has devolved powers relating to transport, housing and skills. When the Combined Authority was established, approximately 30 staff attached to the LEP transferred to it. The Combined Authority has since grown to approximately 150 members of staff.

- 2.7** Following its creation, WECA embarked on a process of evidence gathering, analysis and strategy development. However, following the publication of the national Industrial Strategy in November 2017<sup>5</sup>, WECA was asked by Central Government to pause its strategy development process and co-develop a **Local Industrial Strategy (LIS)** in collaboration with the Department for Business, Energy and Industrial Strategy (BEIS). Whilst this was underway, WECA published an Operating Framework in April 2018 to guide the early deployment of WEIF. The **Operating Framework** has remained broadly consistent throughout this period. The most recent update was presented in WECA's Business Plan 2020/21 (see Figure 2-1) and aligns closely with the LIS.

**Figure 2-1: WECA Operating Framework**



Source: WECA (January 2020) Investment Strategy. Originally presented in Operating Framework (May 2018) – Revised WECA Business Plan 2020/21

<sup>5</sup> Industrial Strategy: Building a Britain fit for the future Department for Business, Energy and Industrial Strategy, November 2017



- 2.8** The intention was that the LIS – together with the Joint Spatial Plan, Joint Transport Study and the Employment and Skills Plan (which were being developed separately) – should frame the use of devolved investment funds linked to the Devolution Deal and other national and local resources (as illustrated below). However, at the Examination of the JSP, the Inspector raised major concerns and the JSP was not taken forward. The four UAs withdrew from the JSP process and committed to further work to support strategic planning; this is currently underway.
- 2.9** The LIS was published in July 2019<sup>6</sup>. It set out main four priorities: cross-sectoral innovation from research through to commercialisation; inclusive growth with a focus on opportunities for employment and progression for all; addressing the productivity challenge, including adopting new technology and management practices and supporting businesses to trade; and capitalising on the West of England’s innovative strengths to deliver the infrastructure (digital and physical) necessary for future growth.
- 2.10** The LIS and the overarching Operating Framework remain the primary strategic documents guiding the high level economic development priorities in the West of England currently.

## The economic context

### An overview of the West of England

- 2.11** The West of England Devolution Agreement published in 2016 stated that the city region generated some £30.8 billion in economic output (GVA) was is home to 1.1 million people at the time. The agreement stated that the West of England geography closely matched the functional economy of the city region (85 per cent of people that work in the region lived in the region).<sup>7</sup>
- 2.12** In functional terms, the West of England is defined around the cities of Bristol (with an urban population of around 650,000 people), Bath (about 100,000 people) and Weston super Mare (around 90,000 people), with a number of other towns including Clevedon, Keynsham, Norton Radstock, Portishead, Thornbury and Yate. Looking back over half a century or so, the area’s economy has been characterised by both change and continuity. In terms of the latter, the aerospace cluster has been a major element throughout, particularly to the north of Bristol, and it continues to be recognised as a significant global hub. Port and airport activities are also important, as is tourism – albeit all three have had to adapt and evolve.
- 2.13** But there have been bigger changes too: major manufacturing sectors (tobacco; paper and packaging; food and drink; machinery; and some parts of the engineering sector) have all but disappeared; dock-related activities have gone from central Bristol; and manufacturing and engineering have also disappeared from Bath’s riverside. Recent decades have seen major expansion in financial and business services, much of it relocating from London to central

<sup>6</sup> West of England Local Industrial Strategy, July 2019. Published jointly by BEIS, WECA and West of England LEP

<sup>7</sup> West of England Devolution Agreement

Bristol; and the higher education sector (across four main institutions) has grown significantly too. The relocation of the docks and related activities from central Bristol opened up spaces for regeneration including office and residential, retail, culture and entertainment<sup>8</sup>; and increasingly, Bristol is recognised for the vibrancy of its arts and cultural industries. There is also a growing cluster around 'low carbon energy' – notably, Bristol was awarded European Green Capital for 2015.<sup>9</sup> In parallel, Bath has seen the growth of creative and business services; retail; personal services; and leisure activities.

- 2.14** In general terms, the West of England's economy is performing strongly, and many of the challenges it is facing are 'problems of success' (congestion, housing shortages, etc.). However there are also some underlying concerns. There are areas of continuing disadvantage – perhaps most especially south Bristol. The region has a high proportion of young people not in education, employment or training (NEET), a disparity in skills levels and opportunity, and a decreasing take-up of apprenticeships, all of which need to be addressed. In addition, output per person has grown more slowly than the rest of the UK since 2009 and the region's population is growing faster than the UK average. Whilst this will potentially provide the region with a large and diverse future workforce, it will also increase pressure on the existing transport and housing infrastructure.<sup>10</sup>

## Economic forecasts and out-turns

### Approach

- 2.15** To provide context for the impact and progress evaluations, the National Evaluation Framework recommended the use of economic forecasts to (a) identify how the economy in the West of England was expected to develop at the point that the Deal (including the investment fund) was agreed in 2015; and then to (b) compare this to actual out-turns at the point of the final evaluation (using actual out-turn data to 2019).
- 2.16** Creating the historic baseline (from 2015) involved the use of a projection from Cambridge Econometrics which was prepared using the data that were available at the time, tailored to reflect local circumstances where key additional developments were known about at the time. This projection sought to be as consistent as possible with policy makers' expectations of the wider macro environment around the time that the Deal and investment fund were agreed, and excludes economic and policy contexts/circumstances, which were not known at the time (most obviously Brexit).

<sup>8</sup> Boddy, M *et al* 2004 "Competitiveness and cohesion in a prosperous city region: The case of Bristol" in: Boddy, M. and Parkinson, M., eds. (2004) *City Matters: Competitiveness, Cohesion and Urban Governance*. Bristol: Policy Press, pp. 51-70

<sup>9</sup> West of England Devolution Agreement

<sup>10</sup> West of England Local Industrial Strategy July 2019

**2.17** Further details regarding the approach, technical considerations and limitations, and the detailed data from the initial projections and analysis of out-turns are set out in Annex B.

### Key findings

**2.18** The headline findings from CE's modelling work (for employment, Gross Value Added (GVA), and productivity) are set out in Table 2-1.

**Table 2-1: Comparison of projected and actual headline economic performance in the West of England**

	2015 projection	Actual out-turn
Change in employment 2013-19 (% per annum)	1.2	2.0
Change in GVA 2013-19 (% per annum)	2.3	2.3
Change in productivity 2013-19 (% per annum)	1.1	0.2

*Source: Cambridge Econometrics*

**2.19** Actual GVA growth in the West of England and the UK over 2013-19 was broadly in line with the baseline forecast. This was driven by much stronger than expected employment growth, at 2% pa between 2013 and 2019. In contrast, productivity growth was much slower than expected, at 0.2% pa over that period.

**2.20** Comparatively, GVA growth in the West of England (2.3% pa over 2013-19) was faster than in the UK which grew 1.9% pa over 2013-19. Employment growth in the West of England grew by 2.0% pa over 2013-19, while employment in the UK as a whole grew by 1.7% pa over 2013-19. Productivity in the West of England was forecast to grow by 1.1% pa over the period but was in fact much slower (0.3% pa). This was broadly in line with the UK as a whole, which also experienced weaker than expected productivity growth of 0.2% pa over 2013-19, compared to an expected 1.0% pa.

**2.21** The following points are noted:

- In terms of GVA, most of the service sectors were broadly in line with the forecast with less than 1 pp difference between expected and actual growth. Construction and Distribution sectors outperformed the forecast by 1.8 pp and 3.0 pp respectively. Manufacturing underperformed the forecast. This sector was forecast to grow by 2.2% pa over 2013-19, but GVA in those sectors declined by 3.4% pa.
- Almost all the sectors experienced higher than expected employment growth in the West of England, except for Agriculture and Manufacturing, which both saw a fall in employment. The stronger than expected employment growth in the West of England was driven by above forecast growth in Government services (1.4 pp above the baseline forecast) and Transport and storage (3.4 pp above the baseline forecast).

- Productivity growth was slower than expected in more than half the sectors in the West of England. Manufacturing and Information and communication both saw declining productivity over 2013-19, falling by 2.1% pa and 1.6% pa respectively.

**2.22** The sectoral patterns in GVA, jobs and productivity are important. Overall, the data suggest that the West of England has seen strong growth in service industry jobs. This might be contributing to the slow productivity growth observed over 2013-19. For example, the accommodation and food services sector has seen strong employment growth (4.6% pa), but jobs in this sector are often low paid and unproductive. Typically, the manufacturing sector generates strong economic output. However, in the West of England, GVA growth in manufacturing fell by 3.4% pa and employment in the sector declined by 1.3% pa.

### Implications for the evaluation

**2.23** The projections suggest that employment has grown quickly over recent years (prior to the pandemic). Conversely the sub-region's performance in respect of productivity has been poor (in line with UK trends), and worse overall than was anticipated at the time the Devolution Deal was negotiated and actually declining in some key sectors.

**2.24** These observations do no more than provide the context for the evaluation. But insofar as the aim was to improve productivity (which was certainly a central theme within the LIS), they suggest that there is a continuing job to be done. This challenge is well-recognised by Government at a national level. Progress will need to be made to reverse this trajectory, recognising also that in the wake of COVID-19, bullish assumptions about jobs growth can no longer be sustained. This all suggests that the effectiveness or otherwise of interventions funded through WEIF needs to be understood, and the lessons from the first five years of delivery need to be both captured and acted upon.

### 3. Overview of the Investment Fund

#### Key messages

- The Fund provides £30m per annum over 30 years, with a mix of capital and revenue funding available.
- The West of England’s approach to deploying WEIF has evolved considerably over a relatively short period of time. WECA published its first Investment Strategy in November 2019, following the publication of the LIS. This set out an Investment Programme to March 2023, and WECA’s “single pot” approach to managing the Fund (and other funding streams such as TCF). Prior to this, despite an Operating Framework being in place, the early process of prioritisation was difficult, in part because the LIS was still being developed. The approach to allocating and spending WEIF was therefore cautious initially.
- Six WEIF-funded interventions were considered “in scope” for this evaluation, all of which have been subject to Progress Evaluation. One – Bath Western Riverside – has also involved “Progress Plus” evaluation. Many of the “big ticket items” in relation to WEIF and the Devolution Deal more generally are progressing, but they are long term ventures that were insufficiently advanced at this stage to be meaningfully evaluated at the project level. They will need to be considered more fully as the West of England approaches Gateway 2 in 2025.

#### Coverage of the Investment Fund

Scope	
Value of fund	£30m per annum
Length of fund	30 years
Number of interventions in scope of the evaluation	6
Value of interventions in scope of the evaluation	£17.1m Investment Fund £41.5m total
Funding type	Mixed (50% revenue and 50% capital overall)
National Evaluation Framework Thematic coverage	
Transport	Yes
People	Yes
Infrastructure	Yes
Enterprise & Innovation	Yes
Other	No

## Strategic overview of Fund approach and model

- 3.1** In governance terms, the Fund is overseen by the WECA Committee, which is chaired by the West of England Mayor, and is made up of the Council Leaders of Bath and North East Somerset and South Gloucestershire, and the Mayor of Bristol. The WECA Committee approves and reviews the WEIF portfolio. The West of England Joint Committee includes North Somerset Council, and has formal powers over the investment of EU and Local Growth Funds, and oversees joint planning and transport matters which span that geography. The Joint Committee is informed/advised by the LEP Board to provide input from the business community, the Chief Executives (of WECA/LEP and Unitary Authorities), and the Combined Authority's Skills, Business, Transport and Housing and Planning Boards.
- 3.2** Beyond formal governance, in seeking to understand how the Fund operates, it is appropriate to consider the last five years in two main phases. Latterly, the processes have been clear. Conversely, the early years need to be recognised to be formative ones. For this reason, we start by describing the current situation and then capture comments on the journey towards it.

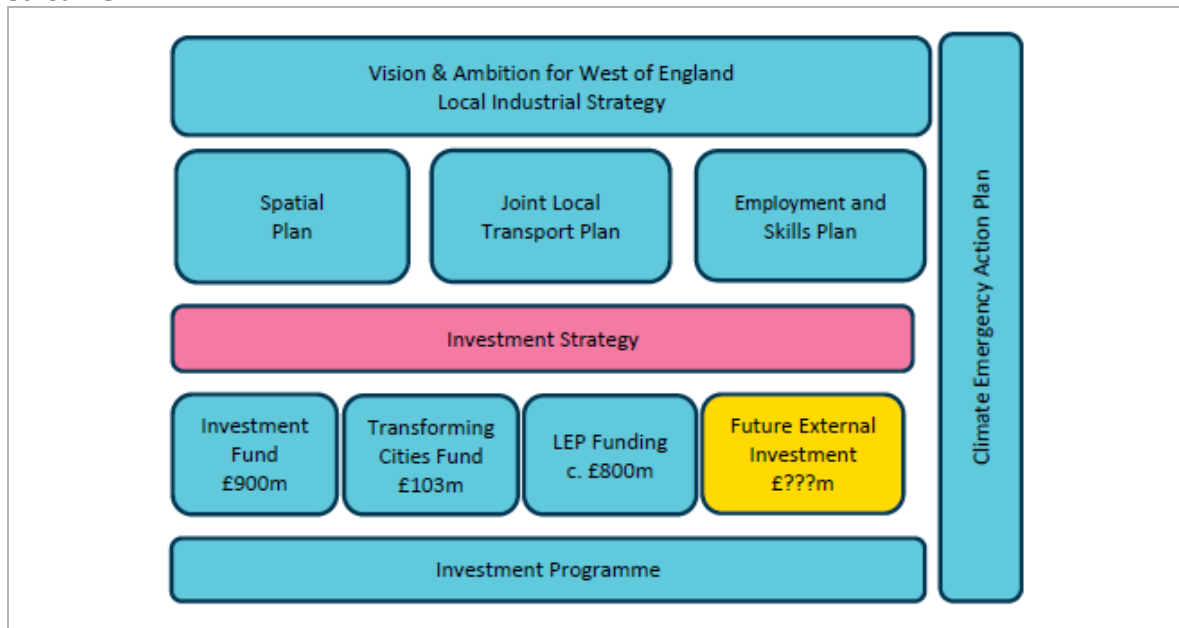
### Since 2019

- 3.3** Following the publication of the LIS in July 2019, WECA published its first Investment Strategy in November 2019. This set out an Investment Programme to the value of £350m to March 2023<sup>11</sup>. The programme aligns investment proposals with key regional strategies (predominantly the LIS) and core objectives for the West of England (summarised in by the Operating Framework). As illustrated below, WECA has adopted a “single pot” approach to manage the Fund, which consolidates WEIF with other funding streams, including Transforming Cities Fund. The Investment Strategy states that, “*where feasible and relevant we ‘mix and match’ spend from individual projects across different funds in order to maximise and retain maximum investment into the area*” but also notes that each funding stream carries constraints and specific time periods for spend to incur.

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<sup>11</sup> Note that so far, WECA has not sought to put in place arrangements to fund borrowing through WEIF.

**Figure 3-1: Alignment between the West of England Strategic Priorities and funding streams**



Source: WECA (January 2020) Investment Strategy

- 3.4** The Investment Strategy also set out the overall criteria and principles against which the WEIF would be allocated. This includes a focus on ‘additionality’, contribution to the strategic direction for the region, fit with the wider programme of interventions, leverage, and value for money. At a practical level, funding applications are subject to the “assurance stage gate process” set out in WECA’s Assurance Framework. Under this Framework, interventions are prioritised using a “weighted scorecard approach” across the key themes of transport, other infrastructure, business and skills.

#### Before 2019

- 3.5** The paragraphs above explain the approach to deploying the Fund in the West of England as it now stands. However, **it is important to recognise how this approach has evolved considerably over a relatively short period of time.**
- 3.6** The Devolution Deal was announced in March 2016, but WECA was not formally created until February 2017 and the Mayor was then elected in May 2017. It is also important to note that WECA expanded as an organisation between 2017 and 2019, with greater capacity and expertise in-house to establish internal processes (such as the assurance framework and approach to risk management) and support the deployment of the Fund.
- 3.7** As discussed in the *Capacity Building and Partnership Working Evidence Paper (Evidence Paper 4)*, consultees described how WEIF was initially deployed in a strategic “void” due to WECA

being in its infancy, the timing of the LIS, and complications associated with the JSP<sup>12</sup>. Consultees commented that, even though an Operating Framework was in place, the timing of the LIS made the early process of prioritisation difficult, particularly for the business, innovation and skills interventions.

**3.8 In this context, the approach to allocating and spending WEIF was cautious initially.** The Fund was invested in a small number of early projects which were perceived as “quick wins” to boost confidence, but the emphasis was on developmental and feasibility work for longer-term, ambitious interventions and capital spend on transport interventions (many of which had been identified in the Joint Transport Study, such as MetroBus, MetroWest, mass transit, cycling schemes, and on-demand information and smart-ticketing across the bus network). **There was a notable sharpening in the approach to the deployment of the WEIF during 2019.** This was enabled by the LIS, which was considered to be helpful in supporting prioritisation, and WECA working closely with partners to develop project ideas during Spring/Summer 2019 once the LIS had been agreed to inform the Investment Strategy above.

### Interventions in scope of the evaluation

**3.9** The evaluation to inform the first Gateway Review is focused on interventions that had been approved formally within the first Gateway Review period, and where significant Fund expenditure has been incurred (potentially in full). In practice, to allow sufficient time for evidence on progress of delivery to emerge, to inform the evaluation, this meant interventions that commenced delivery and expenditure before December 2019.

**3.10** Within these criteria, **six interventions are covered in the evaluation**, as agreed in the West of England Evaluation Plan<sup>13</sup>. The interventions are summarised in Table 3-1. Two of these interventions are completed (Bath Western Riverside and Real Time Information System Upgrade) and four were ongoing at the time of the evaluation (Cribbs/Patchway New Neighbourhood Cycle Links, On-Bus Contactless Bank Card Payments, South West Institute of Technology and Workforce for the Future).

**Table 3-1: Interventions covered by the evaluation to inform the first Gateway Review**

Intervention	Summary	Investment Fund allocation (lifetime total)
Bath Western Riverside	WEIF funding has enabled Bath and North East Somerset Council (B&NES) to acquire 3.9 acres of brownfield land from a developer in order to unblock a stalled strategic housing project on the city's old gas works.	£8.3m

<sup>12</sup> The inspector raised a number of concerns, notably in relation to the approach taken in the selection of Strategic Development Locations and housing supply assessment, and the justification for removal of land from the Green Belt. As a result, the JSP was eventually withdrawn by the unitary authorities.

<sup>13</sup> Agreed with WECA in November 2019



Intervention	Summary	Investment Fund allocation (lifetime total)
Cribbs/Patchway New Neighbourhood (CPNN) Cycle Links	The CPNN Cycle Links package will deliver cycle infrastructure improvements ahead of the Filton Airfield site development.	£3.325m
On-Bus Contactless Bank Card Payments	The On-Bus Contactless Bank Card Payment project will support smaller bus operators to replace ageing equipment and introduce contactless bank card payment technology.	£416k
Real Time Information System Upgrade (RTISU)	The RTISU project was designed to improve the reliability and 'user friendliness' of bus services. Specifically, the scheme has provided an improved real time information system for bus services.	£559k
South West Institute of Technology (IoT)	The IoT will deliver new technical, higher skills and training programmes via a digitally-connected hub and spoke model. It brings together a collaboration of five educational institutions and 11 employers across the West of England.	£500k
Workforce for the Future (WFTF)	The WFTF project is intended to improve SME workforce planning and their capacity to provide placements/work experience, encourage uptake of apprenticeships, improve curriculum and course design to better meet employer needs, and improve learner/career progression.	£4m

Source: Progress Evaluation Evidence Paper

### A note on what is not 'in scope'

**3.11** It is important to recognise that for the West of England, the projects in scope do not include many of the "big ticket" projects in relation to WEIF and the Devolution Deal more generally. The funding allocated to these projects is substantial. Examples include:

- Cribbs Patchway Metrobus Extension, allocated just over £22m to March 2023. This scheme will improve connectivity by providing fast and direct MetroBus routes between Bristol Parkway Station through to the Cribbs Patchway New Neighbourhood.
- Metrowest Phases 1 and 2, allocated nearly £17m to March 2023. Phase 1 will re-open the Portishead rail line to passenger train services and to enhance local passenger train services on the Severn Beach and Bath to Bristol lines. Phase 2 will then re-open the Henbury Line to an hourly spur passenger service and increase train services to Yate to a half-hourly service.
- The Quantum Technologies Innovation Centre+ (QTIC+) (allocated almost £34m to March 2023). This project, led by the University of Bristol, will enable existing facilities to expand

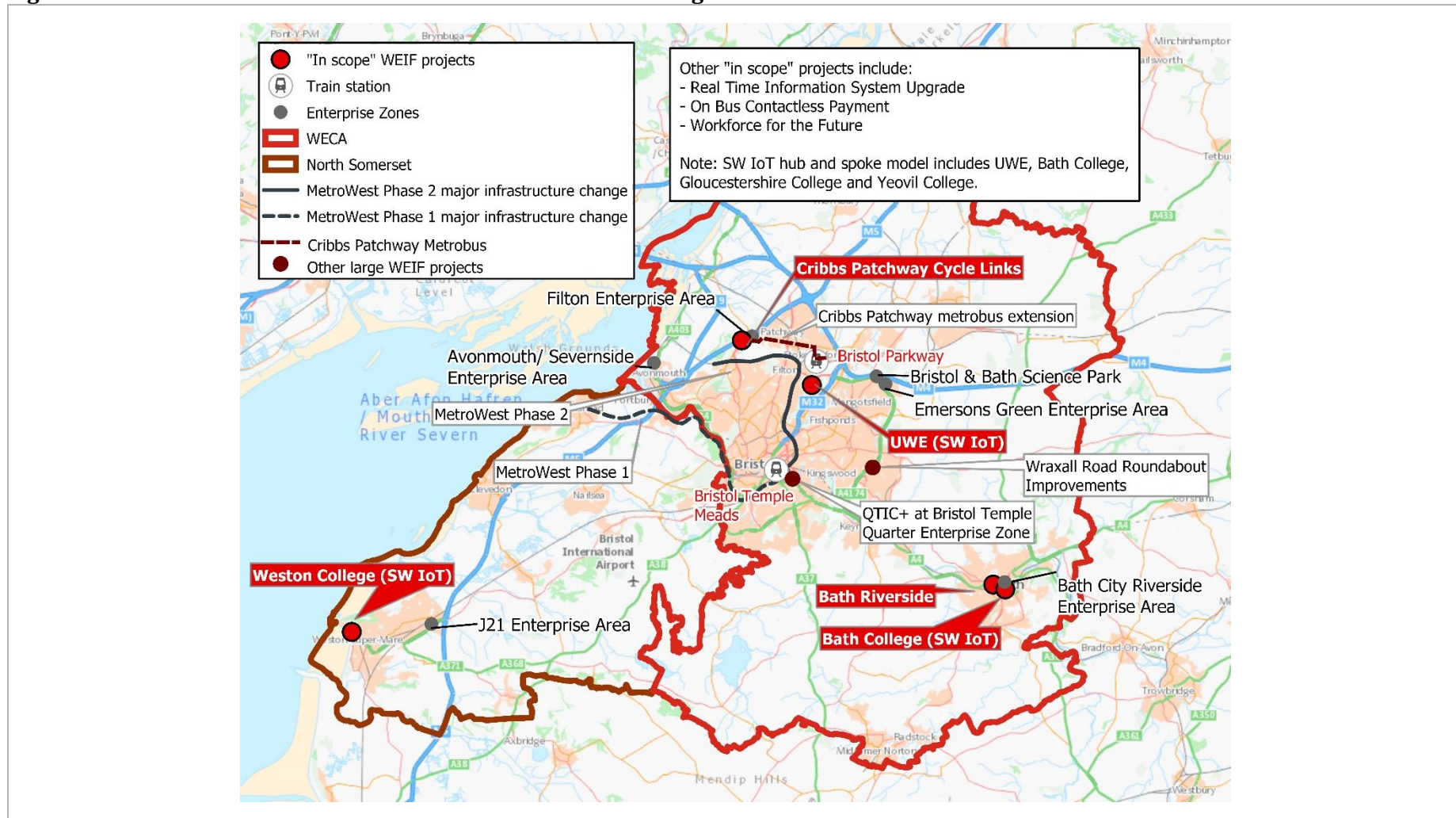
to support the development, commercialisation and growth of businesses in quantum and other disruptive technologies.

- 3.12** The “big ticket” interventions are progressing – and stakeholder consultees often made reference to them in general terms – but they are long term ventures that were insufficiently advanced at this stage to be meaningfully evaluated at the project level. However it is important to recognise that the overall impact of WEIF (certainly in relation to its early years) is substantially vested in them. In time, these interventions will therefore need to be the focus for impact evaluation. It will also be important that they are considered more fully as the West of England approaches Gateway 2 in 2025.
- 3.13** WEIF has also funded a number of feasibility and preparatory studies that are not within scope of the evaluation. Once complete, these are expected to lead to significant capital investment in the short-to-medium term as schemes are implemented. Examples include the Strategic Park and Ride scheme, the Bus Strategy Infrastructure Programme, Mass Transit Options studies, the Bristol Temple Meads Masterplan and Eastern Entrance studies, and a series of housing Masterplans.

### **Spatial location of key interventions**

- 3.14** The spatial location of the interventions across West of England is shown in Figure 3-2. The map shows the locations of “in scope” interventions – Bath Riverside, Cribbs Pathway Cycle Links Project, and South West IoT project locations. Three of the six interventions in scope are not place-specific and span the West of England geography; they are not therefore shown on the map. As well as the interventions that are “in scope” for the purposes of this evaluation, the map also includes a number of other key WEIF-funded projects such as MetroWest 1 and 2, the Cribbs Patchway Metrobus Extension, QTIC+ and Wraxall Road Roundabout Improvements.

**Figure 3-2: Investment Fund interventions within the West of England**



Source: Produced by SQW 2020. Licence 100030994.

Other important projects that have been allocated over £5m of WEIF funding include: MetroWest 1 and 2, the Cribbs Patchway Metrobus Extension, Q TIC+ and Wraxall Road Roundabout Improvements.

## Evaluation approach

- 3.15** The remit of the National Evaluation Panel is to provide evidence on the impact of the funds in delivering local growth outcomes. However, as noted in Section 1, in some cases – even where interventions have spent significant sums – it was considered too early to evidence impacts at this evaluation stage. In these cases, interventions have been subject to progress evaluation only. Many other interventions (including most of the larger ones) are insufficiently advanced even to be appropriate for progress evaluation, particularly where investment to date has focused on feasibility and preparatory work rather than implementation.
- 3.16** All interventions covered by the evaluation are subject to progress evaluation. However, this evaluation does not contain impact evaluation for the two completed interventions (Bath Western Riverside and Real Time Information System Upgrade). It was agreed with WECA during the development of the Evaluation Framework that:
- Because the Bath Western Riverside project concerned the acquisition of land to unlock a strategic housing scheme (which has yet to be completed) it would be too early to attempt an impact evaluation. Instead, this project is assessed through a “Progress Plus” evaluation.
  - For the Real Time Information System Upgrade (RTISU) project, the cost of evaluating the intervention was deemed by WECA to be disproportionate to the scale of WEIF expenditure (at £559,000). This project is therefore subject to Progress Evaluation only.

## 4. Assessment of progress

### Key messages

- The Fund created space for a strategy-led approach to deployment, but this has also meant (in conjunction with establishing the Combined Authority and the timing of the LIS) that deployment has been relatively cautious to date.
- WECA had approved awards and allocated £157.59m of funding to 80 projects by the end of June 2020, across three themes of transport, business and skills, and housing. This allocation is sourced through a combination of WEIF and TCF, in line with WECA's "single pot" approach, and is expected to be incurred through to March 2023. Of these 80 projects, just over half were feasibility and preparatory studies, and the large majority were still underway.
- By June 2020, WEIF expenditure was £40.81m across the whole project portfolio, plus £5.7m on WECA set-up, election and operating costs. This includes feasibility/preparatory studies for large and complex schemes and transport schemes, including some of the key commitments in the Devolution Deal.
- Expenditure across the portfolio as a whole by June 2020 was around 20% below target, equivalent to an under-spend of approximately £10m. This is largely explained by under-spend on eight projects, all of which are outside the scope of this evaluation.
- By March 2021, WECA now expects to spend nearly £86m of WEIF across the project portfolio. Expenditure on projects is expected to ramp up considerably thereafter, with a further £172.4m set aside for projects currently undergoing feasibility/development, in addition to a further £71.39m that will be spent on existing projects.
- Actual WEIF expenditure for the six projects in scope was £10.27m by June 2020, with only £190k in match funding to date (in part, explained by difficulties in drawing down Central Government match). Two projects were completed on budget, one on-going project was slightly behind target but three projects were significantly behind target by June 2020 (based on targets in the Baseline/OYO Report). Under-spend was attributed to difficulties in drawing down match funding from Central Government, inter-dependencies with project partners, COVID-19 issues, alongside project-specific challenges, such as adverse weather impacting on construction and procurement difficulties. Targets have since been reprofiled and all projects were broadly on track by June 2020 in relation to the revised targets.
- The Bath Western Riverside "Progress Plus" evaluation found the use of WEIF has been instrumental in unlocking a stalled, strategic housing development, and will enable B&NES Council to have direct control over the type of development which takes place on its land (notably to increase access to affordable housing for young people and families) to better reflect and maximise the scheme's contribution to the economic growth needs of the city.

## Overview of progress<sup>14</sup>

Expenditure	All interventions	"In scope" interventions
<b>Baseline/OYO report targets</b>		
Anticipated expenditure by end-June 2020	£51.7m Investment Fund	£12.7m Investment Fund
Actual expenditure by end-June 2020	£40.8m Investment Fund	£10.3m Investment Fund
Investment Fund expenditure as % anticipated	78.9%	80.7%
<b>Latest available targets (including any reprofiling)</b>		
Anticipated expenditure by end-June 2020	£51.0m Investment Fund	£10.3m Investment Fund
Actual expenditure by end-June 2020	£40.8m Investment Fund	£10.3m Investment Fund
Investment Fund expenditure as % anticipated	80.0%	99.7%
<b>Status of interventions</b>		
Interventions completed by end-June 2020	9	2
Interventions on-going at end-June 2020	71	4

## Expenditure

- 4.1** As explained in Section 3, WECA has approved an Investment Programme containing project allocations to the value of £350m to March 2023, which draws on funding from WEIF (i.e. the devolved fund) and TCF. It is important to note that, throughout this Section, data on expenditure to June 2020 and expenditure expected by March 2021 refers to WEIF funding only. However, expenditure between April 2021 and March 2023 refers to a combination of WEIF and TCF, and WECA is unable to disaggregate WEIF funding only by project during this period. This means that "total funding allocated" to projects in the paragraphs below could include some TCF funding (if expenditure is expected post-March 2021).

<sup>14</sup> Target and actual expenditure to date was not available for match funding across the portfolio as a whole.

## WEIF-funded portfolio

**4.2 WECA had approved awards and allocated £157.79m of WEIF funding to 80 projects by the end of June 2020, which will be incurred by March 2023<sup>15</sup>.** At this point, the project portfolio comprised:

- The portfolio comprises 34 transport interventions (£73.94m), 28 business and skills interventions (£59.41m) and 18 housing interventions (£24.44m).
- 12 complete projects and 68 live projects
- a large number of funding feasibility/developmental projects (42 out of 80).

**4.3** In addition, £12m of WEIF has been set aside to respond to opportunities and challenges (including the COVID-19 Recovery Task Force), and £7.82m has been allocated to WECA set-up and operating costs to 2023. **This gives a total WEIF allocation at June 2020 of £177.61m through to March 2023.** A further £172.40m of WEIF/TCF is set aside for “tails” of projects<sup>16</sup> over this time period, but this funding has not yet been formally awarded to projects which are in development.

**4.4** By June 2020, a total of £40.81m of WEIF funding had been spent across the whole project portfolio, of which £10.27m had been spent on the six projects “in scope” (discussed in more detail below) and £30.53m had been spent on projects across the wider portfolio. Two projects accounted for over half of all portfolio spend to June 2020: Cribbs Patchway Metrobus Extension, a new express bus service (£14.6m spend), and Bath Western Riverside land acquisition that will unlock significant housing development (£8.3m spend). Both are closely aligned with key commitments set out in the Devolution Deal to deliver “a high quality bus network” and “an ambitious target for delivering new homes”.

**4.5** The remaining spend to date had been spread across 58 projects, most of which had incurred less than £1m by June 2020. Again, these projects include feasibility and preparatory work that will underpin progress against priorities set out in the Devolution Deal, such as preparatory work to unlock housing development (e.g. at Lockleaze and Hengrove), options assessment for mass transit, and development of the Enterprise Zone.

**4.6** Throughout this evaluation, we have compared actual expenditure against two targets: first, those presented in the Baseline/OYO Report; and second, reprofiled targets updated in June 2020. Both targets give a very similar picture that, **across the portfolio as a whole, expenditure was c.20% or c.£10m behind target by June 2020:**

- Using Baseline/OYO targets, WECA anticipated expenditure of £51.7m by the end of June 2020 across the WEIF project portfolio as a whole. Actual expenditure (of £40.81m) was therefore 21.1% behind target, equivalent to £10.9m under-spend, by June 2020. Using

<sup>15</sup> According to WECA data, only four projects in the existing portfolio will incur expenditure after March 2023, and this amounts to £4.13m in total.

<sup>16</sup> i.e. assumed implementation costs to March 2023 that will flow from the awarded development works (these are only indicative and not formally/publicly awarded to projects at present).

these targets, the proportional under-spend on the six projects “in scope” is very similar to the wider portfolio.

- The latest available (reprofiled) targets indicate an anticipated expenditure of £51.0m by the end of June 2020 on projects. Actual expenditure by this point is therefore 20.0% behind this target, equivalent to £10.2m under-spend, by June 2020. Using the latest targets, expenditure across the six projects “in scope” is broadly on track on aggregate (note, performance is variable within the six projects, as we discuss in more detail below) and the shortfall is due to under-spend across the wider portfolio of projects. The variance between planned and actual expenditure to June 2020 was -0.2% for the six interventions in scope and -25% for the other WEIF interventions.

**4.7** Eight projects account for the majority of portfolio underspend by June 2020, all of which are outside the scope of this evaluation. MetroBus accounts for the greatest share (in absolute terms), with an underspend of £7.6m against reprofiled targets. On this project, it was not possible to make use of a planned rail possession to replace a bridge under the railway due to COVID-19; the next available possession is six months later than originally planned, which has had a major impact on the forecast. Seven other projects account for most of the remaining underspend: these are Great Stoke and Wraxall Road roundabout improvements, Somer Valley Enterprise Zone developmental work (which includes transport improvements), Mass Transit Options work, Charfield Station and the LIS Productivity Challenge (these are all behind target), plus Bristol Temple Meads Eastern Entrance (which had under-spent against interim targets due to unused contingency budget).

**4.8 In addition to WEIF expenditure on projects, £5.7m had been spent on WECA set-up, election and operating costs by June 2020<sup>17</sup>.** This includes the 2017 Mayoral election, costs for establishing WECA, third party support costs associated with early work on WEIF scheme identification and prioritisation, and early WECA running costs.

**4.9 By March 2021, WECA expected £79.5m of WEIF to be spent on projects** at the time of the Baseline/OYO Report, out of a total Fund available over the first five years of £150m (£30m per annum). However, since then, some existing projects were reprofiled (mostly to push back expenditure) and 22 projects have been added to the portfolio. As a result, **the expected WEIF spend by March 2021 has increased slightly** in the latest data provided by WECA to **£86.40m by March 2021** (54.1% of the total WEIF allocated to projects date). This effectively means doubling the amount that had been spent by June 2020 over a nine-month period to March 2021. Following the recent review of deliverability across all projects, WECA believe this is achievable.

**4.10 After March 2021, WEIF expenditure on projects will ramp up considerably through to March 2023.** This follows preparatory and feasibility work for a number of large and complex schemes that are now close to implementation. WECA is currently anticipating a further

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<sup>17</sup> Target to June 2020 not available.



£244m<sup>18</sup> to be spent on projects between April 2021 and March 2023, which includes ongoing investment in existing projects currently being delivered (£71.39m) as well as projects moving from feasibility to implementation (i.e. £172.40m of “tails”). Of this, £141m will be sourced from WEIF and £103m will be sourced from TCF, but WECA is unable to disaggregate planned expenditure over this period by project. Key projects coming forward during this period include: Bristol Temple Meads Eastern Entrance (£23.93m will be spent over this period), and Somer Valley Enterprise Zone infrastructure (£15.69m). All three of these projects are currently in receipt of WEIF funding for preparatory/development works. QTIC+ will also account for substantial amount of WEIF expenditure between 2021/22 and 2022/23 (£21.18m).

### Six projects in scope

**4.11** As above, **£10.27m had been spent on the six projects “in scope” by June 2020**. Again, this has been compared to two targets: those presented in the Baseline/OYO Report, and more recently reprofiled targets. Key observations are as follows:

- **Using Baseline/OYO targets**, WECA anticipated expenditure of £12.72m by June 2020 across the six projects in scope, so actual expenditure of £10.27m is 19.2% below target (equivalent to £2.4m underspend). This aggregate picture masks variable performance within the group of projects:
  - For the two completed projects, spend was delivered on target.
  - For the ongoing projects, expenditure was close to target for the On-Bus Contactless Payment project (-4%), but substantially behind target for the remaining three projects of CPNN, the IoT and WFTF (where expenditure was half of target, or lower). In the case of the IoT and WFTF, under-performance was due to difficulties drawing down DWP and ESF match funding.
- **The latest available target (reprofiled in June 2020) for expenditure** by the end of June 2020 was £10.30m and so actual expenditure of £10.27m was only 0.2% behind the revised target (equivalent to £23k underspend). The reprofile has meant that expenditure for all six projects in scope is broadly in line with revised targets.

**4.12** The six projects in scope had levered £190k in match funding by June 2020. This is less than half of anticipated match funding at the Baseline/OYO Report (£477k) and demonstrates the implications of delays in drawing down wider public/private funding alongside WEIF.

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<sup>18</sup> In addition, WEIF funding has been set aside for opportunities/challenges and WECA operating costs

## Out-turn of completed interventions

### Summary overview

**4.13** By the end of June 2020, two of the interventions supported by the Investment Fund had been completed: Bath Western Riverside and Real Time Information System Upgrade (RTISU). A detailed assessment of each intervention against the six Progress Evaluation Research Questions is set out in the accompanying *Progress Evaluation Evidence Paper (Evidence Paper 1)*. A summary of the evidence across these interventions is set out in the table below.

Number of interventions: two	
Was expenditure on budget?	
Yes	No
2 interventions	0 interventions
<ul style="list-style-type: none"> <li>Bath Western Riverside used WEIF funding to support land acquisition. WECA monitoring data reports that £8.297m was incurred to complete the acquisition, on budget.</li> <li>The total budget for RTISU was £610k, of which £559k was from WEIF and £51k from North Somerset Council. The project was delivered to its expected budget.</li> </ul>	
Were agreed delivery milestones met?	
Yes	No
1 interventions	1 interventions
<ul style="list-style-type: none"> <li>The Bath Western Riverside project has been completed insofar as the land was acquired on time in October 2019.</li> <li>The RTISU project was completed in October 2019. However, this was nine months later than originally expected. The reasons for the delay include: re-procurement of the RTI supplier; delays to site acceptance tests; delays to the testing of the Traffic Signal Priority (TSP) systems; and delays to the second phase of testing the central system.</li> </ul>	
Were anticipated outputs delivered as anticipated?	
Yes	No
2 interventions	0 interventions
<ul style="list-style-type: none"> <li>The direct outputs from the Bath Western Riverside project are acquisition of 3.9 acres of land to enable the direct delivery of a predicted 285 housing units on B&amp;NES land. These outputs have been achieved as expected.</li> <li>Outputs on the RTISU have been delivered as anticipated. This includes improved RTI displays at 1,018 bus stops (exceeding the target of 1000). The project manager also reported an updated central RTI system and access to a digital data platform for service users have been delivered, and increased system usage (to March 2020).</li> </ul>	
Were intermediate outcomes delivered as anticipated?	
Yes	No
1 intervention (in part)	0 interventions
<b>Too early to assess: 1 intervention</b>	

- It is too early to assess whether intermediate outcomes on the Bath Western Riverside project have been delivered yet, as they are directly linked to the next phase (housing construction) which is not expected to commence until January 2023. That said, the Bath Western Riverside project has played a role in enabling that development to move forward, as intended.
- Some intermediate outcomes have been delivered on the RTISU project. These include: improved journey reliability and increased passenger numbers (to March 2020). The project expects that the remaining outcomes – including return on investment through ticket sales – will be met in future, but at a later date than expected due to COVID-19.

#### Do interventions remain on course to deliver against their original objectives?

Yes	No
2 interventions	0 interventions

- Housing starts on the land unlocked through the Bath Western Riverside project are due to commence in January 2023 in-line with the WEIF offer letter. To that extent, the project remains on course to deliver against its original objectives. The detailed scheme design (including the number of units) will not be confirmed for another year.
- The project will deliver against the project objectives originally outlined in the Full Business Case, which primarily related to the provision of more reliable and accurate information via a digital platform. However, ultimate outcomes/impacts will be achieved later than expected.

#### Has COVID-19 influenced progress and/or will it influence expected outcomes?

Yes	No
2 interventions	0 interventions

- On the Bath Western Riverside project, COVID-19 is not expected to impact on either the ultimate timing or scale of the project's ultimate outcomes. However, it has led to a short delay to the commencement of the initial package of site rationalisation works that followed this initial land acquisition project.
- Outcomes on the RTISU project are anticipated to be delivered over a much longer timeframe. This is because bus patronage and boarding numbers decreased dramatically during the COVID-19 lockdown and are not expected to recover to pre-lockdown numbers in the short term.

Source: SQW, based on monitoring data from WECA and consultations with intervention leads

## Intervention level

**4.14** The outputs generated by interventions, and any delivery issues encountered and how/if they were addressed is set out in Table 4-1. Further details are provided in the *Progress Evaluation Evidence Paper (Evidence Paper 1)*.

**Table 4-1: Intervention level outputs and delivery issues – completed interventions**

Intervention	Outputs generated	Delivery issues
Bath Western Riverside	<ul style="list-style-type: none"> <li>• Outputs from this WEIF project were acquisition of 3.9 acres of land to enable the direct delivery of a predicted 285</li> </ul>	<ul style="list-style-type: none"> <li>• Since the Baseline/OYO report, there have been some delays to the commencement of the Rationalisation Works due to COVID-19. B&amp;NES took the opportunity during lockdown to renegotiate the Rationalisation Works contract with Wales and West Utilities in order to break it into stages and reduce the risk to B&amp;NES from</li> </ul>

Intervention	Outputs generated	Delivery issues
	housing units on B&NES land	<p>further potential delays associated with the pandemic.</p> <ul style="list-style-type: none"> <li>Furthermore, the site rationalisation and preparation works contracts are being funded by Homes England's HIF (Marginal Viability Fund). The cost of these works has increased due to COVID-19. At the time of writing, no conclusion had yet been reached on how these additional costs are to be funded.</li> </ul>
Real Time Information System Upgrade	<ul style="list-style-type: none"> <li>Improved RTI displays at 1,018 bus stops</li> <li>Updated central RTI system</li> <li>Increased system usage</li> <li>System usage data</li> <li>Access to digital data platform for service users</li> </ul>	<ul style="list-style-type: none"> <li>Delivery milestones were met, but later than anticipated. The reasons for delay include:</li> <li>Re-procurement of the RTI supplier caused delays. However, there was a deliberate overlap of delivery by the incumbent supplier and the new supplier (Idox), to ensure a seamless transition which would not impact on service users.</li> <li>The project has involved multiple partners. The complexity of getting many different parties to work together on a technically complicated project meant that timings slipped slightly.</li> </ul>

Source: SQW, based on monitoring data from WECA and consultations with intervention leads

## Progress of on-going interventions

### Summary overview

**4.15** By the end of June 2020, four of the interventions in scope remained in delivery: CPNN Cycle Routes, On-bus Contactless Bank Card Payment Upgrade, IoT and WFTF. A detailed assessment of the progress made by each intervention against the six Progress Evaluation Research Questions is set out in the accompanying *Progress Evaluation Evidence Paper (Evidence Paper 1)*.

Number of interventions: Four	
Is expenditure on budget?	
Yes	No
Original target: 1 interventions Revised target: 4 interventions	Original target: 3 interventions Revised target: 0 interventions
<ul style="list-style-type: none"> <li>In the Baseline/OYO report, CPNN had a target of £2.4m to June 2020; this was subsequently reprofiled to £723k. Actual spend by June 2020 was £704k, giving a variance of -71% on original targets, and -2.7% against reprofiled targets.</li> <li>The On-bus Contactless Bank Card Payment Upgrade project was expected to spend £333k by June 2020, according to the baseline/OYO report. This was re-profiled down to reflect the disruption caused by COVID-19, to a revised target of £323k. By June 2020, the project had spent £319k of WEIF funding, essentially meeting the original (-4%) and revised (-1%) target.</li> </ul>	

- The IoT target to June 2020 was revised down from £280k of WEIF in the Baseline/OYO report to £139k due to delays in drawing down Central Government match. By June 2020, the project had spent £139k of WEIF funding, half the original target but in line with the revised target.
- In the Baseline/OYO report, WFTF had a target of £850k to June 2020; this was subsequently reprofiled to £257k due to delays in securing ESF match funding sign-off. Actual spend by June 2020 was £257k, giving a variance of -70% on original targets but on track according to the reprofiled target.

#### Have agreed delivery milestones been met?

Yes	No
0 interventions	4 interventions

- The CPNN package is made up of five schemes, all of which are progressing under challenging conditions. However, delays have been reported across all five schemes for a range of reasons (including delayed partner contributions and capacity during COVID-19), with expected completion dates for these ranging from two to 15 months behind schedule.
- Delivery of the On-bus Contactless Bank Card Payment Upgrade project was ahead of schedule to March 2020, but COVID-19 meant the final stage of lease/hire agreements with operators was put on hold during lockdown. As a result, project completion is likely to be delayed by three months.
- On the IoT project, some milestones have been met in line with the original offer letter, including the recruitment of the first cohort of learners and first phase of conversion works (pre-COVID). However, there was a six-month delay in securing the formal IoT Licence and Grant Agreement by DfE by six months, which has caused knock-on delays to capital works and meant that subsequent milestones have been compressed to ensure all capital works are still complete on time (by March 2021).
- The WFTF project experienced a five-month delay in DWP confirming ESF funding and signing the associated MOU. This, combined with the need to revise delivery mechanism in response to COVID-19, has resulted in delivery of the core “backbone” services commencing eight months behind schedule, in September 2020.

#### Have anticipated outputs been delivered as anticipated?

Yes	No

Too early to assess

- Outputs on the CPNN cycle package will only be formally reported once individual schemes are complete. As a result, it is too early to assess whether anticipated outputs have been delivered as anticipated.
- On the On-bus Contactless Bank Card Payment Upgrade project 54 of the target 63 contactless payment machines have now been installed. Installation of the remaining machines relies on securing lease/hire agreements with the remaining operators (as noted above).
- IoT project outputs will be assessed at the end of the project period, so post-March 2021 through to 2023/24. Again, it is too early to assess whether anticipated outputs have been delivered as anticipated.
- The first formal assessment of interim outputs against targets for WFTF will be in March 2021.

#### Have intermediate outcomes been delivered as anticipated?

Yes	No

Too early to assess

- The CPNN package is expected to deliver outcomes when all individual schemes are complete.
- The On-bus Contactless Bank Card Payment Upgrade project expects that the intended outcomes will be met, but these are likely to take longer to achieve as a result of COVID-19.

<ul style="list-style-type: none"> <li>• It is too early to assess progress against intermediate outcomes for the IoT, but there is evidence to suggest the IoT has already led to improved partnership working, notably with “anchor employers” involved in the IoT.</li> <li>• It is too early to assess whether outcomes have been delivered on the WFTF project.</li> </ul>	
Do interventions remain on course to deliver against their original objectives?	
Yes	No
4 interventions	0 interventions
<ul style="list-style-type: none"> <li>• The CPNN package and On-bus Contactless Bank Card Payment Upgrade project remain on course to deliver against their original objectives, although these are likely to be achieved later than planned and for On-bus Contactless Bank Card Payment Upgrade potentially at reduced scale depending on the impact of COVID-19 on bus patronage.</li> <li>• The IoT project’s objectives, scope and proposed activities remain the same, and the delay is not expected to impact negatively on the ability of the project to deliver these objectives as originally intended (and in line with the original timeframe).</li> <li>• WFTF also remain on course to deliver against its original objectives. The broad purpose and approach of WFTF has remained the same, although the focus of support activities commissioned in the first call has been re-focused to better align with the short-term challenges for businesses arising from COVID-19.</li> </ul>	
Has COVID-19 influenced progress and/or will it influence expected outcomes?	
Yes	No
4 interventions	0 interventions
<ul style="list-style-type: none"> <li>• COVID-19 has influenced the progress of the CPNN package in different ways. It has created the opportunity to accelerate one aspect of a scheme but caused/exacerbated delays to three.</li> <li>• COVID-19 has influenced progress in delivering the On-bus Contactless Bank Card Payment Upgrade project, and may influence the scale of outcomes depending on the impact of COVID-19 on bus patronage. That said, COVID-19 may also lead to a greater willingness to use contactless payment methods, and therefore an increase in use of buses that offer these facilities.</li> <li>• COVID-19 has led to delays in delivery of the IoT to date, mainly in relation to site access for capital works. There is a risk to outcomes relating to learner and apprenticeship numbers in future, although at the time of reporting, learner number targets were expected to be met for the forthcoming academic year and the emphasis on digital learning should help to mitigate further impacts on outcomes.</li> <li>• For WFTF, COVID-19 compounded earlier delays in securing DWP approvals for ESF funding. However, because the process of commissioning delivery partners was still underway, it meant that activities/delivery mechanisms could be adapted in response to COVID-19. As a result, COVID-19 is not expected to influence expected outcomes looking forward.</li> </ul>	

*Source: SQW, based on monitoring data from WECA and consultations with intervention leads*

## Intervention level

- 4.16** None of the live projects in scope had formally reported any outputs by June 2020. Output performance against lifetime targets will be reported at project close. Informal outputs generated by interventions, and any delivery issues encountered and how/if they were addressed is set out in Table 4-2. Further details are provided in the *Progress Evaluation Evidence Paper (Evidence Paper 1)*.

**Table 4-2: Intervention level outputs and delivery issues – on-going interventions**

Intervention	Outputs generated	Delivery issues
Cribbs/Patchway New Neighbourhood (CPNN) Cycle Links Package	<ul style="list-style-type: none"> <li>None formally recorded to date</li> </ul>	<p>Delays have been reported across all five schemes. The nature of these delays is described below:</p> <ul style="list-style-type: none"> <li>Hayes Way: delayed due to delays in developers finalising land agreements</li> <li>Catbrain Hill: delayed whilst waiting awaiting the completion of the planned Wessex Water works in the area</li> <li>Patchway Station link to A38: final remedial works have been delayed due to workload pressures</li> <li>A4018: delayed overall, although some elements of construction works have been brought forward</li> <li>Church Road Contra flow: delays in progressing the Traffic Regulation Order (TRO) due to capacity issues during COVID-19</li> </ul> <p>The project team have built in additional time and budget contingency period across all schemes to accommodate the increase risk of delays that may arise from COVID-19.</p>
On-bus Contactless Bank Card Payment Upgrade	<ul style="list-style-type: none"> <li>63 buses using upgraded ticketing technology to date</li> <li>Increased number of contactless bank card payments accepted, and barcode tickets used (not quantified)</li> </ul>	<p>Delivery issues on the On-bus Contactless Bank Card Payment Upgrade project include:</p> <ul style="list-style-type: none"> <li>The preparation of hire/lease agreements was delivered later than expected.</li> <li>COVID-19 has had a significant impact on the bus market, meaning that progress with operators to deliver the remaining machines was put on hold during the lockdown period.</li> <li>The installation of the remaining machines relies on the remaining operators (who are micro operators with 1-2 vehicles) leasing the machines, and these micro operators have struggled to commit to leasing a machine in an uncertain economic context.</li> </ul> <p>However, the project engaged the three larger operators quicker than expected, prioritising the 'bigger wins' earlier on, opening up capacity for the project to engage with the smaller operators over a longer timescale, as these operators are typically more difficult to engage.</p>
Institute of Technology	<ul style="list-style-type: none"> <li>None formally recorded to date</li> </ul>	<p>The formal IoT Licence and Grant Agreement with DfE for the capital investment was expected in September 2019 but was delayed by DfE until April 2020. Despite this, some milestones have been met in line with the original offer letter, enabled by partners progressing capital works at risk and the flexibility of WEIF to release early revenue funds for preparatory works and partner engagement. This has meant the DfE capital funding is still on track to be spent by March 2021 as planned.</p>

Intervention	Outputs generated	Delivery issues
Workforce for the Future (WFTF)	<ul style="list-style-type: none"> <li>None formally recorded to date</li> </ul>	The project experienced a five-month delay in DWP confirming ESF funding and signing the associated MOU with WECA to progress delivery. Despite the delays in securing ESF sign-off, WEIF funding enabled initial briefings and awareness raising sessions to be delivered between Autumn 2019 and January 2020. COVID-19 also happened during the delivery partner commissioning process, but allowed WECA to reflect and adjust the focus and most appropriate delivery mechanisms for WFTF in response to the pandemic, and ensure WFTF dovetails effectively with other support available (via WEIF and other sources).

Source: SQW, based on monitoring data from WECA and consultations with intervention leads

## Discussion

### Overall portfolio expenditure

**4.17** As discussed in the *Capacity Building and Partnership Working Evidence Paper (Evidence Paper 4)*, there are four key overarching factors that have influenced the deployment of WEIF to date. These help to explain the portfolio level expenditure profile above:

- First, **the context at the point WEIF was introduced is important**. As set out in Section 2, the Devolution Deal was announced in March 2016, but WECA was not formally created until February 2017 and the Mayor was then elected in May 2017. With an initially small team at the Combined Authority, it took time to establish and embed governance and assurance processes for the Fund.
- Second, **the process of developing strategic priorities was delayed, and so the deployment of WEIF was initially cautious**. This was the case until strategic priorities were agreed across the Locality (notably in the LIS, which was published in July 2019, which informed the subsequent Investment Strategy in November 2019).
- Third, **WECA has sought to fund large-scale, ambitious projects through the Fund, many of which have required extensive feasibility and preparatory works to date** (which will be followed by significant capital investment post Gateway Review 1).
- Fourth, **the “single pot” approach to combine various funding streams has meant that there has been pressure to prioritise spending of some other funding streams** (especially LGF and TCF) that have a shorter timeframe which has had some implications for the pace of WEIF spend.

**4.18** That said, there has been some slippage in delivery across the portfolio as a whole, leading to underspend against original Baseline/OYO targets and (to a lesser extent) more recently reprofiled targets. This was attributed, in part, to ambitious project plans, especially for



capital infrastructure investments, and some concerns relating to delivery capacity and capability at the outset.

**4.19** The implementation of WEIF has involved a considerable amount of learning in this respect and WECA is now working more closely with partners (e.g. national agencies such as Network Rail and Homes England) to better align delivery programmes and with project managers to develop a more realistic roadmap of investment through to March 2023. Alongside this, the detailed feasibility and preparatory works funded by WEIF to date should help to mitigate against optimism bias/under-spend in future. COVID-19 has also had an impact across the portfolio, particularly where social distancing has delayed contractors accessing sites or where projects needed to pause and reflect on appropriate delivery mechanisms in light of changing needs.

### Six projects within scope

**4.20** As illustrated above, progress in implementing the six projects within scope of the evaluation has been mixed to date. Two projects were delivered on time and budget and completed prior to COVID-19, whereas the four live projects have encountered challenges that have hindered implementation and caused delays. All four projects were therefore reprofiled in June 2020 and expenditure is now considered to be “on track” against revised targets (although it is important to note that one of these projects is also broadly in line with the original Baseline/OYO targets). In the paragraphs that follow, we discuss factors that have influenced the delivery of these projects to date, drawing on project documentation and consultations with management and delivery staff. To note, strategic benefits arising from the way in which projects have been delivered are discussed in Section 5.

**4.21** Looking across the six projects, the following factors have enabled and accelerated progress:

- **The inclusion of capital and revenue funding within the WEIF programme has been helpful in matching and leveraging capital funding programmes, enabling partners to design viable interventions.** For example, the availability of revenue WEIF funding enabled education providers to successfully bid for £20m of Government’s capital-only support to develop an IoT and will be critical in supporting the first three years of IoT operation, as the Institute aims to become self-sustaining in the longer term. The WFTF project has been used to match £4m of ESF funding, and WEIF has encouraged North Somerset Council to contribute funding in order to be part of WEIF interventions (e.g. the On Bus Contactless Payment project). This has widened the reach, and potential effectiveness and impact, of the WEIF project.
- **Flexible revenue funding has enabled partners to progress preparatory work where match funding from Central Government has been delayed** (e.g. IoT and WFTF projects). This has allowed them to set up robust management/governance/delivery arrangements, engage with employers and undertake marketing activities to create a pipeline of demand. It has helped to ensure that projects were able to operationalise quickly once match funding was accessed.

- **The flexibility of WEIF funding has been helpful in enabling projects to respond to opportunities and challenges (including COVID-19).** There are multiple examples of this: the On Bus Contactless Payment project was able to prioritise “bigger wins” earlier than expected during implementation (in response to bus operators which were ready to go sooner) which meant delivery was frontloaded and less impacted by COVID-19 than might have been the case otherwise; the flexibility of WEIF and its rapid deployment was helpful to enable B&NES to purchase land at Bath Western Riverside, which enabled a bid for Homes England funding and unblocked the wider development and is a revolving fund that will be repaid; the flexibility of WEIF enabled WFTF to reflect and revise proposed delivery mechanisms in the context of COVID-19 and focus to better align support to the needs of businesses in the short-term; in the CPNN package, the flexibility of WEIF enabled funding to be brought forward which enable construction works on the A4108 scheme to be brought forward during the COVID-19 pandemic, because the fall in road usage during the pandemic provided a window where construction could start and the disruption to road users would be minimal.

**4.22** The projects have, however, encountered delivery challenges, most of which were largely external. These are summarised below.

- Whilst the WEIF has enabled significant levels of match funding to be levered, this has meant that **progress is partly dependent upon pulling through the match funding.** Total expenditure to date for two projects – IoT and WFTF – is below original expectations in the Baseline/OYO due to substantial delays in securing match funding approval.
- A challenge related to the point above is the **time-limited nature of some match funding**, which means that (once secured) partners will be under pressure to spend match quickly. For example, ESF funding for WFTF will also need to be front-loaded. The flexibility of WEIF is helpful in this respect, but the time-limited nature of match funding may have implications for the timing of WEIF expenditure.
- There were a number of **project-specific challenges which caused delays** to delivery. This included technical challenges in setting up the RTISU, standard construction delays such as adverse weather and unforeseen traffic issues at one of the CPNN cycle links, and complexities associated with the leasing arrangements for On Bus Contactless Payment.
- **Partnership working and stakeholder engagement** are strengths of WEIF-funded projects (as discussed in Section 5), but also bring a number of challenges. The complexity of getting many different parties to work together on technically complicated projects (e.g. RTISU) and dependency upon partners to deliver pre-requisites (such as developers taking longer than expected to draw up agreements and delayed infrastructure works by Western Power Distribution and Wessex Water for two of the CPNN cycle routes) has led to delays.
- Finally, the **COVID-19 pandemic** has influenced the delivery of these projects in a number of ways: it has delayed construction works across several projects (e.g. in

preventing university site access for contractors in the IoT); it has led to an increase in workload pressure and reduced capacity amongst project teams and operators (e.g. capacity issues within the team dealing with the Traffic Regulation Order processes in CPNN); and some project outcomes are now likely to **be delivered over a much longer time frame than originally anticipated as a result of COVID-19** (e.g. bus patronage and boarding numbers decreased dramatically during lockdown and it is not expected to recover in the short term, with consequences for RTISU and On Bus Contactless Payments projects achieving the outcome ‘increased passenger numbers’ within the intended timeframe).

## ‘Progress Plus’ evaluation evidence

**4.23** The Progress Plus evaluation focused on the use of £8.297m in WEIF funding (in the form of a recoverable grant) to support Bath & North East Somerset Council’s (B&NES Council’s) acquisition of land at Bath Western Riverside in October 2019, in order to unlock a strategic housing scheme on B&NES land from 2023 onwards (known as “Bath Western Riverside Phase 2”). Whilst the project has been “completed”, insofar as the land has been acquired, the wider strategic housing development on the southern bank of the River Avon is still progressing and therefore ultimate outcomes and impacts have not yet been delivered. Hence this project was subject to “Progress Plus” evaluation only, which involved an analysis of monitoring data provided by WECA, consultations with the scheme’s director and manager, and interviews with three other stakeholders. The full Bath Western Riverside Progress Plus Evaluation is presented in *Evidence Paper 2*.

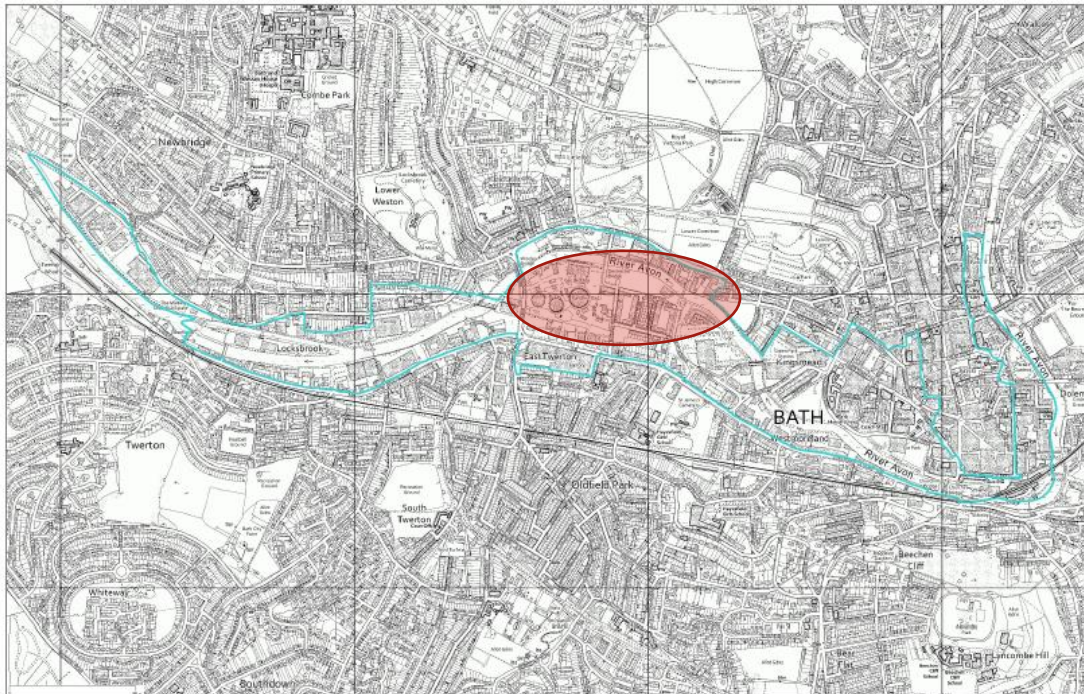
### Strategic context

**4.24** The scheme arose from a pressing need for a significant quantum of new housing in Bath to support the city’s sustainable economic growth, including affordable housing, which had been driven by increased demand for student and retiree housing, second homes, in-migration from London. Alongside this, the Economic Strategy Review (2014-2030) set out an ambitious programme of growth across Bath and North East Somerset, which included substantial employment growth in key sectors and the formal designation of the Bath and Somer Valley Enterprise Zone. Housing was recognised as playing a key role in the sustainable delivery of growth, but a shortage of land for new housing has increased house prices in the city to a level which has become unaffordable for those on low or middle incomes. Against this backdrop, it is hoped that the additional housing at “Bath Western Riverside Phase 2” will prove attractive to young people and working age families, by providing a significant number of affordable housing units, and enable new city residents to take advantage of new job opportunities (e.g. at Bath Quays North office development, Bath Quays South), training and employment opportunities at the iSTART “hub” and within the two universities.

## The Bath Western Riverside scheme

**4.25** Bath Western Riverside is a strategic housing project on the southern bank of the River Avon. It is currently the only WEIF-funded capital project within the Bath Riverside Enterprise Zone (EZ) and it is regarded as strategically important to the sustainable economic growth of the city and the wider locality (see Figure 4-1). The overall Bath Western Riverside site is the city's largest single strategic housing site, with c.2,000 homes expected across the brownfield site. The site comprises a former crane manufacturing works, the city's gasworks (with its legacy of gasholders, surface pipework and ground contamination), and a waste site owned by B&NES Council (which is still operating and will require relocation and site decontamination).

**Figure 4-1: Map of Bath Riverside EZ (with the general location of the Bath Western Riverside housing scheme highlighted)**



*Source: Bath & North East Somerset Council*

**4.26** In 2006, Crest Nicholson purchased some of the Bath Western Riverside site and worked with B&NES Council and other stakeholders on a masterplan for the entire scheme. An Outline Planning Application for 2,281 homes, with some local services and a primary school, was approved by B&NES Council in 2010. Construction began in 2011 and over the following eight years Crest Nicholson progressed with construction of 840 housing units on “Phase 1” of the scheme (6.9ha), 25% of which were affordable. To support the viability of the scheme (particularly after the financial crisis), approximately £20m of public sector funding was incurred during this phase (excluding the WEIF funding which is being evaluated here), from B&NES Council itself, Homes England and the LEP's Revolving Infrastructure Fund.

**4.27** Progressing Phase 2 proved a much greater challenge than Phase 1. As discussed in *Evidence Paper 2*, the site was constrained by abnormalities and contamination. Recognising financial viability issues, B&NES Council bid for £12.5m of Housing Investment Funding (HIF) through Homes England's Marginal Viability Fund (MVF), which was awarded in February 2018. Under the terms of the MVF funding agreement, B&NES Council would need to be the contracting body for remedial works, which needed to be drawn down by March 2022, and there needed to be an agreement between Crest Nicholson and other landowners regarding the development scheme. Parties were unable to conclude an agreement and, as a result, Crest Nicholson decided to sell its interests in the scheme to B&NES (under the pre-emption right on land interests in the 2010 Development Agreement, a condition of the planning approval). By exerting its pre-emption rights, B&NES Council had much greater and more direct leverage over the design of housing (and level of affordable housing), its price point and the pace of development. B&NES Council would also directly control brownfield land on which much the HIF funding needs to be spent, ensuring that contracts could be let in time for this to be drawn down (funding which was key to the scheme's overall viability). **The purchase of 3.9 acres of land using WEIF is ultimately expected to unlock and accelerate delivery of nearly 1,100 new residential units across the site, and achieve a significantly enhanced affordable housing provision.**

#### Progress to date and emerging outcomes

**4.28** The land acquisition was completed on time and on budget in October 2019, delivering the intended output of 3.9 acres of land. Progress against targets and delivery issues are discussed above, and therefore not repeated here. Other formal outputs will be achieved once site remediation has finished and housing development starts in January 2023. Since the land was acquired, there has been slippage to some of the initial site preparation works due to Covid-19. However, a contract to manage the development process was awarded in March 2020 and the masterplanning work is reportedly progressing well.

**4.29** Whilst it is too early to assess impacts of the Bath Western Riverside scheme, consultees for the Progress Plus Evaluation were able to identify some emerging outcomes that they attributed (at least in part) to the development of the scheme, and anticipated outcomes they expect to see as a result of Phase 2 in future.

**4.30** Key emerging outcomes are as follows:

- **Land unlocked for development:** Prior to Phase 1 of Bath Western Riverside there had been many abortive attempts to stimulate new development in Bath, frustrated by a combination of sensitivities to development linked to Bath's outstanding heritage, associated planning restrictions and, some consultees said, a degree of historic inertia in relation to economic diversification. All of those consulted as part of this evaluation view Bath Western Riverside Phase 1 (delivered by Crest Nicholson) as having been instrumental in changing attitudes and approach to major development in the city. Set against this backdrop, it was clearly important to continue development momentum from

Phase 1 into Phase 2 of Bath Western Riverside. However, the co-ordination failure (discussed above) presented a serious obstacle to the development. The Council's WEIF-funded acquisition of land was regarded by all consultees as essential to breaking this deadlock, and to secure funding from Homes England to be accessed by B&NES Council in a timely manner.

- **Enhanced control in the process of delivering houses:** The potential to deliver well-designed homes on a significant scale represented a step-change from the piecemeal developments which had been taking place throughout the city centre. The high level of pent-up demand for city centre housing meant that Crest Nicholson's Phase 1 was commercially very successful, but all of the consultees noted that the planning process was constrained in its ability to influence the characteristics of the new home owners (with high demand from retirees, and less housing for young people and working families). The WEIF-funded acquisition by B&NES Council means it now has direct control over the type of development which takes place on its land, to better reflect and maximise the scheme's contribution to the economic growth needs of the city.

**4.31** Beyond the actual unlocking of this particular site, the business case and project development process has strengthened working relationships at officer level between B&NES Council and WECA (see Section 5 for further details).

**4.32** **In the absence of WEIF funding, our consultation evidence suggests that site development would have been significantly delayed and different in nature.** Had B&NES Council not acquired Crest Nicholson's land interests, there are strong arguments to suggest that development would have taken at least two years (if not three years) longer to develop the land, there would have been greater certainty over the level of affordable housing, and less control over the design in order to meet broader sustainable growth objectives. As the site was already allocated in the Local Plan, seen as a key strategic housing site for the city, and given Bath's poor housing affordability ratio, displacement is judged to be negligible.

**4.33** The project remains at an early stage of both detailed design and delivery, and tasks still to be completed (such as finalising the masterplan) will have a significant bearing on the project's ultimate performance. That said, consultees argued the scheme remains on track to deliver the following outcomes in future:

- **Brownfield land redeveloped / reduction in brownfield land:** Once the site remediation works are complete (anticipated during 2022), 3.9 hectares of the city's brownfield land will have been reclaimed.
- **Uplift in Land Value:** Although there is currently some Covid-19 related uncertainty facing the UK's housing market, in the West of England house prices are reported to be holding up well at the present time and the area is seen as attractive to in-migrants given relatively short travel times to Central London. The disposal of development plots to private sector developers and/or direct development of homes (depending on the development option pursued by the Council), will not take place for at least a further two

years and the Project Director and Project Manager are optimistic that there will be sufficient land value uplift to deliver a return of the funding to WECA. At this stage, and especially since the scheme masterplan has not crystallised or a planning consent been granted, this is impossible to quantify with certainty

**4.34** More broadly, the scheme is also expected to contribute towards:

- Growth of working age population: Bath Western Riverside Phase 2 is seen as a key opportunity to make the city more appealing to families and younger people who can then live within walking distance of jobs in the city centre. In doing so it will support the successful occupation of employment space at Bath Quays North, Bath Quays South and iSTART, as well as providing homes for post-graduates and academics which will help to support the continued development of both universities.
- Increased affordable and accessible housing: The Council's ownership of land in Phase 2 will support the delivery of more affordable housing. This has the potential to help retain Bath's young and talented population (notably graduates) and support the universities' recruitment of post-graduate and academic talent.
- Increased 'green building' infrastructure, contributing towards Zero Carbon outcomes: Feasibility work is currently underway – including regarding a District Heat Network – which is expected drive sustainability benefits.

## Key messages from the progress (and progress plus) evaluation research

**4.35** At the final evaluation stage, the key progress evaluation findings are as follows:

- The West of England has adopted a strategy-led approach to the deployment of WEIF. Whilst the Fund enabled some schemes to progress initially (such as those identified in the earlier Joint Transport Study), WECA was keen to develop and agree the Locality's overarching strategic priorities before allocating a substantial amount of WEIF, to ensure alignment *between* themes and inform investment in business, innovation and skills interventions in particular. The nature of the Fund has created space for deployment to be strategy-led but has also meant that (in conjunction with establishing the Combined Authority and the timing of the LIS) deployment has been relatively cautious, particularly given the total Fund available over the first five years (of £30m per annum).
- Within the £350m Investment Programme, WECA had approved awards and allocated £157.79m of WEIF funding to 80 projects by the end of June 2020, which is expected to be incurred through to March 2023. The portfolio comprises 34 transport interventions (£73.94m), 28 business and skills interventions (£59.41m) and 18 housing interventions (£24.44m).

- WEIF spend by June 2020 was relatively modest, at £40.81m across the whole project portfolio, plus £5.7m on WECA set-up, election and operating costs. This largely reflects the cautious approach to deployment prior to the publication of the LIS and an initial emphasis on feasibility/preparatory studies for large and complex schemes and transport schemes. That said, the West of England has progressed some of the key commitments in the Devolution Deal, including implementation of the Metrobus Extension and Bath Western Riverside land acquisition that will unlock significant housing development, alongside wider preparatory work to unlock housing development (e.g. at Lockleaze and Hengrove), options assessment for mass transit and development of the Enterprise Zone.
- Expenditure across the portfolio as a whole by June 2020 was around 20% below target, equivalent to an under-spend of approximately £10m (using both Baseline/OYO and more recently reprofiled targets to June 2020). MetroBus accounts for the greatest share (in absolute terms) of this under-spend, which was due to unforeseen and unavoidable issues relating to the impact of COVID-19 on the planned rail possession to undertake works.
- By Gateway Review 1 in March 2021, WECA expected to spend nearly £80m of WEIF on projects at the time of the Baseline/OYO Report. This has since increased to approximately £86m following an internal review of deliverability across all projects (leading to downward revisions) and adding further 22 projects to the portfolio since the Baseline/OYO report.
- Expenditure is expected to ramp up considerably after March 2021. WECA is currently anticipating a further £244m<sup>19</sup> to be spent on projects between April 2021 and March 2023, which includes ongoing investment in existing projects currently being delivered (£71.39m) as well as projects moving from feasibility to implementation (i.e. £172.40m of “tails”). Of this, £141m will be sourced from WEIF and £103m will be sourced from TCF.
- Across the six projects in scope of the evaluation, actual expenditure was £10.27m by June 2020. Performance is variable when compared to Baseline/OYO targets: two projects completed on budget, one on-going project was very slightly behind target but the remaining three projects were significantly behind target by June 2020. Under-spend was attributed to difficulties in drawing down match funding from Central Government, inter-dependencies with project partners, and site access, stakeholder capacity and social distancing measures associated with COVID-19. Targets have since been reprofiled and all projects were broadly on track by June 2020 according to revised targets.
- The six projects in scope had levered £190k in match funding by June 2020. This is less than half of anticipated match funding at the Baseline/OYO Report and demonstrates the implications of delays in drawing down wider public/private funding alongside WEIF.

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<sup>19</sup> In addition, WEIF funding has been set aside for opportunities/challenges and WECA operating costs



- It is too early to assess outcomes for most projects in scope. However, Bath Western Riverside was subject to “Progress Plus” evaluation which found the use of WEIF has been instrumental in unlocking a stalled, strategic housing development, enabling the delivery of up to 285 dwellings and the acceleration of approximately 600 more homes, which represents a step-change from the piecemeal developments which had been taking place throughout the city centre. The WEIF-funded acquisition by B&NES Council means it now has direct control over the type of development which takes place on its land (notably to increase access to affordable housing for young people and families) to better reflect and maximise the scheme’s contribution to the economic growth needs of the city.

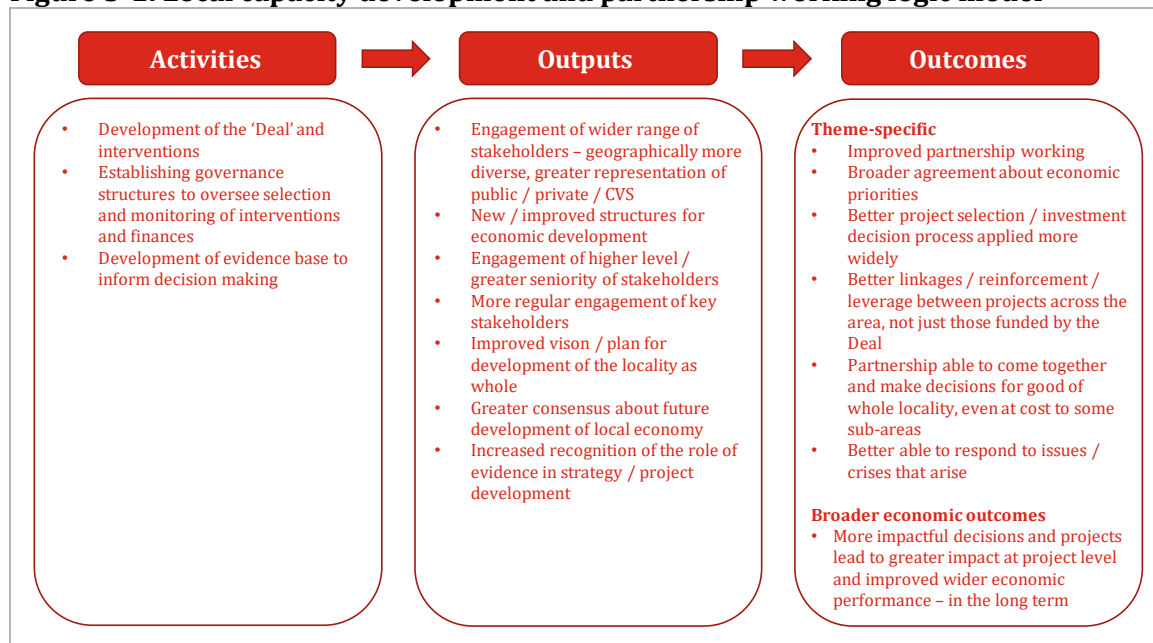
## 5. Wider contribution of the Investment Fund

### Key messages

- The distance travelled in terms of capacity and partnership working across the West of England has been notable in a relatively short period of time, and the Fund has made an important contribution to this.
- Building on strong foundations established by the LEP, the Fund has encouraged a wider range and more senior stakeholders to engage in economic development, and as a result strengthened partnership working. WEIF has added most value in strengthening partnership working between the locality and national agencies, where intervention is most appropriate at a sub-regional (rather than local) spatial scale, and within projects.
- Capacity and capabilities have increased across the West of England. Robust evidence has greater prominence in project development, particularly through extensive feasibility and developmental work undertaken to de-risk future capital investment.
- The Fund has provided scope to tackle significant challenges that span the West of England and led to more ambitious, joined up and sub-regional interventions.
- Without a devolved investment fund of the scale and character of WEIF, the evidence suggests that many of the effects above would not have been seen.
- Although some stakeholders considered that more could have been done, WEIF has been actively – but cautiously – managed in response to the changing context of Covid-19, using the Fund’s flexibility to provide immediate support as well as aid longer-term recovery.

- 5.1** The National Evaluation Framework recommended that evaluations to inform the first Gateway Review should include an assessment of the effects of each fund on local capacity development and partnership working. This was expected to be particularly important for the first Gateway Review, where quantitative benefits may not yet have been fully realised, and where activity was ongoing, but where the design, development and delivery of the fund may have strengthened local partnership arrangements and boosted local capacity, leading to increased confidence about future delivery.
- 5.2** The type of activities, and the nature of the expected benefits – outputs and outcomes – for this assessment of the wider contribution of the fund is set out Figure 5-1.

**Figure 5-1: Local capacity development and partnership working logic model**



Source: SQW

### 5.3 Evidence has been collected from two key perspectives:

- at a **strategic level**, considering the contribution that the Investment Fund as a whole has made to changes in the behaviours, perspectives, and decisions of actors across the economic development landscape, via consultations with senior economic development stakeholders across the West of England; in total, 33 consultations were completed in two 'waves'<sup>20</sup>.
- at a **project-up level**, considering how the development and delivery of individual interventions (or groups of linked interventions) has led to changes in the behaviours, perspectives and decisions of actors across the economic development landscape, via consultations with managers of interventions, and one in-depth case study on the package of rail interventions.

### 5.4 The detailed findings from these different strands of research are set out in the accompanying *Capacity Development and Partnership Evidence Paper (Evidence Paper 4)*, a separate *"Project-up" Case Study Evidence Paper (Evidence Paper 3)*, and the *Bath Western Riverside Progress Plus Evidence Paper (Evidence Paper 2)*.

### 5.5 It is important to emphasise that the evaluation did not set out to evaluate the Combined Authority itself, WEIF process issues or project selection, nor whether the sub-region's priorities which have informed the deployment of the WEIF were/are the 'right' ones (although consultees had much to say on these topics). Our focus instead was the use of WEIF

<sup>20</sup> It is important to note that WECA took the view that the evaluation of WEIF should not include an e-survey of wider stakeholders. This element was recommended in the National Evaluation Framework

and the extent to which it has helped to build capacity within the West of England and effect partnership development.

## Evidence from the consultations and case study

### Stakeholder engagement

- 5.6** Most consultees agreed that the **WEIF has resulted in the engagement of a wide range of stakeholders across the West of England**. This has included engagement with senior representatives from colleges and universities (such as VCs) and with large private sector employers (although one consultee noted that SME engagement has been more difficult). It has encouraged senior level involvement and buy-in from the Unitary Authorities, as well as MPs. Consultees also identified that major national agencies – such as Highways England, Network Rail and Homes England – have also had a dialogue with the West of England.
- 5.7** **The scale of WEIF funding, its devolved nature and its ability to fund ambitious and transformational projects have been critical in encouraging wider and more senior stakeholder engagement**. It provides a mechanism to deliver, which partners did not previously have at this scale<sup>21</sup>. The Fund also provides an important signal to the private sector of public sector commitment to investment, which has encouraged private sector involvement (e.g. IoT and rail package). **WEIF has also encouraged more regular engagement**, particularly in relation to the larger transformational projects which present higher levels of risk and therefore warrant more regular stakeholder engagement.

### Partnership working

- 5.8** Overall, partnership working within the West of England has developed over recent years, building on the foundations created by the LEP from 2011 in the period immediately before WEIF<sup>22</sup>. As noted above, our consultations suggested that **WEIF has added value in facilitating more effective partnership working between the locality and national agencies**, where intervention is most appropriate at a sub-regional (rather than local) spatial scale, and **strengthened partnership working within projects**. These two elements are explored below.
- 5.9** Across the consultations, the feedback was strong and consistently positive on the impact of WEIF in terms of partnership working between the Locality and key Government agencies and Central Government Departments (e.g. DfT, Network Rail, Highways England and Homes England) which have an important role in the delivery of infrastructure across the sub-region. Consultees argued it has enabled **more frequent, strategic and “meaningful” engagement**

<sup>21</sup> This is certainly true over the last decade. Prior to that resources were available through the Regional Development Agency route, albeit with a focus on the wider South West rather than explicitly on the West of England

<sup>22</sup> It is important to note that prior to the LEP's formation in 2010, partnership working at the West of England level was quite limited and, going back even further, attempts at it had not been wholly successful

**with national agencies**, and brought about a “tangible improvement” in the understanding of other agencies’ purpose, objectives, powers and ways of working (for example, see the rail package below). This has helped to strengthen partnerships further and embed an agreed set of priorities, so partners are “not pulling in different directions” at both a programme and project level. **The Fund has demonstrated the importance of a city sub-region functional scale where national and local players need to interact effectively, and it is at this level where the WEIF appears to have added most value to strategic partnership working in the West of England.** It has also helped to present a “joined up voice” when engaging with Central Government, especially DfT.

### Improved Partnership Working: Rail Interventions (See *Project Up Case Study, Evidence Paper 3*, for further details)

*A good example of the role that the Fund has played in strengthening partnership working between the locality and national agencies is the rail package, which has encouraged much closer partnership working between Network Rail and WECA. The Fund – and specifically the scale of funding available - was a key incentive for partners to work together for mutual benefit, providing the opportunity to deliver a package of reinforcing rather than siloed interventions. One consultee noted WECA and Network Rail would undoubtedly have worked together without the Fund, but engagement would have been more ‘transactional’ and focused on specific issues on more of an ad hoc basis. Instead, WEIF has encouraged a fundamental shift in the nature of partnership working to collaboratively develop shared and longer-term objectives and co-ordinate packages of investment.*

**5.10 The Fund has also strengthened partnership working at a project level.** The funding itself is an incentive to work in partnership on projects, but there are specific characteristics of the WEIF (compared to prior/other funding streams) that have resulted in greater partnership benefits at a project level than would otherwise have been achieved. It reflects the more ambitious, cross-boundary projects tackling significant sub-regional issues funded through WEIF that no one partner could deliver alone which necessitate closer partnership working. The long-term commitment of WEIF funding provides consistency and certainty to partners (rather than a scattergun approach to



**The Investment Fund has lubricated the wheels of cross sector working, encouraged new ways of working and engaged universities**



short-term improvements) which has encouraged them to dovetail their own funding programmes. Also, the flexibility to adopt a “single pot” approach has made it easier to bring partners together, and revenue funding to undertake extensive feasibility/preparatory works has encouraged earlier partner involvement.

### Improved Partnership Working: Bath Western Riverside (See Progress Plus Evaluation, Evidence Paper 2)

*As part of the business case and project development process for Bath Western Riverside, B&NES Council and WECA have developed a good working relationship at officer level to develop “pipeline thinking” and an asset-based approach to use of WEIF, linked to capital programmes and budget cycles. These are seen as important indirect outcomes in building further confidence amongst external stakeholders in the Council’s approach to sustainable development in the city which can only be helpful as the Council’s Enterprise Zone team seeks to take forward a range of other key development schemes in the city.*

## Vision, consensus and decisions for the good of the locality

- 5.11** As discussed above, the West of England has made progress in developing a vision for the development of the Locality as a whole. However, consultees attributed this largely to the development of the LIS, rather than the Investment Fund. That said, consultees felt **the WEIF had given the LIS “teeth” and resource to support the delivery of the LIS’ strategic priorities.**
- 5.12** The evaluation has also assessed the extent to which WEIF has led to partners being better able to make decisions for the good of the locality. **The West of England has not used formula-based/spatial allocations, investing instead at a sub-regional scale; this approach has taken some time to embed.** Consultees had observed “healthy natural tension” and, at times, challenging debate. There were differences of view, but in the main, consultees considered that the sub-region has developed a willingness and ability to tackle challenges together and has **come to a “collective understanding” of how WEIF should be deployed strategically for the benefit of the whole locality.** In part this was possible because the scale of resources was large enough to dissipate tension, i.e. “local” priorities could be addressed alongside those that were recognised to be important at a sub-regional level and so, in practice, hard choices did not always have to be made. That said, WECA’s strategy-led approach – and associated partnership working and engagement during the strategy development process - was helpful in establishing priorities for investment.
- 5.13** Nonetheless, the availability of funding has “focused minds” and there appears to be a sense that **better and different decisions have been made as a result.** Governance structures underpinning the Fund have also brought “structure and rigour” to partnership working (although some considered it to be bureaucratic). In addition, senior partner engagement has led to more meaningful, strategic and longer-term discussions between partners about how

to work together to deliver a significant programme of investment. Consultees argued this would not have taken place without WEIF. Political changes and the development of the LIS have also been important in facilitating this outcome.

**5.14** However, **there have also been challenges in seeking to make decisions at the sub-regional scale.** This partly reflects the political diversity and complex geographical administrations of the sub-region, including difficulties in progressing the Joint Spatial Plan, the fact that WECA covers three of the four UAs formally, and the emergence of the Western Gateway concept. There were also differences in opinion on the relationship between WECA and the Unitary Authorities. Whilst some stakeholders felt WEIF had led to more collaborative decision-making, six external consultees expressed concern that WECA could appear quite “top down” in its approach, with an over-emphasis on process and compliance functions rather than stakeholder empowerment, buy-in and ownership. It was suggested that more could be done to foster an open/two-way dialogue at the leadership level.

### **More ambitious and reinforcing linkages between projects**

**5.15** The Fund has provided funding, capacity and structures that encourage **greater levels of ambition** across the West of England, and that **some potentially transformational ventures are being advanced.** Given the strategic context and initial approach to deployment described in Sections 2 and 3, the West of England has made notable progress in this respect over the last 2-3 years. It was widely recognised that the long-term horizon of WEIF has been critical (in addition to the funding itself) in facilitating a more ambitious approach to investment. There is less pressure to “chase the money” available through short-term Government programmes, which typically make it difficult to plan over the longer-term. As argued by one consultee, WEIF means that there is “a clear development path and funding in place” for the West of England, bringing the opportunity to pursue more transformational and ambitious interventions.

**5.16** Consultees were also in general agreement that the deployment of WEIF is now more focused on **investments that would not have occurred at all without WEIF, or have been accelerated and/or increased in scale due to WEIF**. For example, consultees noted that extensive feasibility work for more ambitious interventions would not have been funded at all without WEIF (such as the M32 Visioning Study and developmental work for Mass Transit options) or would have been more modest (for example, plans for housing provision).

**5.17** From our consultations, there was evidence to suggest that WEIF has put the West of England in a stronger position to lever other funding (notably ESIF) by providing resource for match funding. As a result, consultees argued that this has increased the ambition and scale of EU-funded interventions. Without WEIF, one consultee argued that ESIF would not have been used “as a catalyst for change”. It has also influenced the strategic focus of other funding streams, which are more closely aligned to the sub-region’s priorities.

**5.18** Finally, since 2019, consultees have observed **more linkages between projects and cross-boundary investments that reflect real economic geographies**. In doing so, consultees expect the interventions to generate greater impacts than would be the case if the projects had been delivered individually. To some degree, the presence or absence of linkages is simply a function of the nature of the intervention - some projects are, by their nature, relatively stand alone; whereas others in the portfolio are reinforcing, such as the larger transport interventions.

**5.19** Overall, consultees agreed that WEIF was now being deployed in a way that delivered **complementary interventions in parallel and has created a more joined-up package of support where possible/appropriate**. This has been driven by the scale of funding and structures which allow for intervention at the sub-regional scale, and the development of the LIS and Investment Strategy which means that partners are “*all heading in the same direction*” strategically. Key examples of a more joined up approach include the mass transit feasibility work, cycling networks, real time traffic information and contactless bus payment systems, a more joined up programme of business and innovation interventions and the package of rail intervention (see below). More broadly, consultees argued the Fund has also encouraged a more joined up approach with other funding streams - for example, in terms of working more closely with partners to develop a more coherent skills offer in the sub-region. That said, some consultees felt that linkages between projects could be made more explicit, particularly to external audiences, to address concerns that deployment is still too “bottom up and opportunistic”.



**“The Combined Authority has developed a clear line of sight between the strategic framework and the projects prioritised. It is easy to follow the golden thread between strategies and projects”**





## Joined-up Investment: Rail (See Project-Up Case Study Evidence Paper (Evidence Paper 3) for further details)

*The WEIF-funded rail package includes seven rail improvement interventions, which includes station improvements, MetroWest rail enhancements, and the development of short and long-term rail strategies. Some of these schemes were identified prior to the Fund (e.g. MetroWest) but were being progressed in isolation. The WEIF built on what was already in the pipeline, but has encouraged a more joined-up, sub-regional approach, with greater clarity, agreement and focus on sub-regional strategic priorities across the partners involved. The WEIF has enabled rail network planning to become more 'strategy led'. The Fund also enabled rail interventions (individually and as a package) to be more ambitious, rather than making incremental improvements, and accelerated progress. As argued by one consultee: "By looking strategically and collaboratively... it will allow the process to be objective, structured, and there will be more visibility as to how decisions have been made." Partner organisations also reported that they were likely to benefit internally from longer term strategic planning. One consultee stated that the long-term strategic prioritisation, combined with the long term and flexible nature of the WEIF, means that partner organisations can take a longer-term view on their own internal priorities, further aligning the partnership. The consultee stated that this was a key example of how the WEIF has changed strategic prioritisation from reactive to proactive.*

### Ability to respond to issues and crises that arise

**5.20** One of the anticipated strategic outcomes arising from the Fund relates to the locality's ability to respond to issues and crises that arise. A critical test of this has been COVID-19 over the last six months. Evidence gathered for this evaluation suggests **the Combined Authority has actively – but also cautiously - managed the programme in a changing context, using the Fund's flexibility to provide immediate support as well as aid longer-term recovery.** Specifically:

- WECA has allocated £5m from the "opportunities and challenges" pot within WEIF to support the work of the West of England Recovery Taskforce, and a further £4.4m was agreed in October 2020. Also, £3m of WEIF has been used to cash flow short term response measures in Local Authorities, enabling the sub-region to mobilise Government's emergency active travel measures more quickly (this will be repaid to the WEIF pot once DfT funding has been received).
- The whole WEIF portfolio has been reviewed by WECA in collaboration with the Unitary Authorities to ensure relevance and deliverability. Whilst most projects are still highly relevant, COVID-19 has impacted on some projects' delivery timescales and mechanisms (as discussed in Section 4) and may release some funding that can be re-invested in

targeted recovery interventions in the short term. Where WEIF projects were still under development, WECA has taken the opportunity to quickly reshape the offer to better align with current needs.

**5.21 Whilst WEIF’s flexibility has been helpful in dealing with COVID-19, WECA has been cautious (some said “overly-cautious”).** It has avoided significantly reshaping the investment programme as a “knee jerk” reaction. This has caused some frustration amongst stakeholders consulted, who perceived this as an apparent reluctance to deploy WEIF to support COVID-19 recovery efforts, a slow response to the crisis, and confusion around the degree of real flexibility in the programme. However, WECA argued that the Fund’s governance processes have forced partners to pause and reflect on the WEIF’s priorities and what it is trying to achieve, which has been helpful to avoid COVID-19 completely derailing investments that will make a significant difference to the West of England over the long term. This has also helped to provide “a lot of stability” in an uncertain context. WECA has also sought to ensure WEIF investment adds to, rather than duplicates, other emergency support provided by Government.

## Wider benefits

### Partner capacity

**5.22** Consultees recognised the impact of WEIF on strengthening capacity across the West of England. **WEIF has led to an increased capacity and capability at WECA**, in part by providing revenue funding to support the set up and operations of WECA. In evaluation terms, the fact that WEIF has contributed funding towards management costs is an input rather than outcome of the Fund. However, it has enabled WECA to add more value in the management of WEIF which has played a role in generating some of the strategic outcomes discussed below - for example by providing capacity to engage with partners to maximise linkages between projects.

**5.23 WEIF has also encouraged other partners in the West of England to increase their internal capacity**, both to enable the delivery of larger projects than had previously been undertaken and engage at a strategic level to ensure planning and delivery are co-ordinated effectively. A key example of this is Network Rail, which is expected to create a Programme Management Office in Bristol specifically to work with WECA and other partners to provide ongoing co-ordination of all rail improvement projects, in recognition of the volume of WEIF investments in rail projects and the benefits of more proactive partnership working through the Fund. There is also evidence that **partners are building a complementary set of capabilities** in relation to developing, managing and delivering a Fund of this nature and scale, and through collaborative working is now better able to co-design and deliver stronger projects.

## Role of evidence in strategy and project development

**5.24** Most consultees agreed that WECA has introduced a robust, evidence-based approach to developing strategic priorities, project proposals and investment decisions. The development of the LIS played a critical role in this. However, **robust evidence now has greater prominence in project development**, which is more closely attributed to the Fund for two reasons: first, the structures and processes set up for the WEIF have placed greater emphasis on outcomes against strategic objectives, which has required partners to strengthen their underpinning evidence base in applications and brought more “discipline” and focus to monitoring activities; and second, access to WEIF revenue funding has allowed more extensive feasibility and developmental work to be undertaken to de-risk future capital investment. Without the WEIF, there is a question as to whether such extensive evidence gathering would have taken place at a programme/project level – in part, it reflects the scale of funding now available to support such extensive feasibility work, but also the long-term/ambitious nature and the local accountability of WEIF has elevated the importance of robust evidence-based foundations.

## Key messages from the assessment of wider contribution

**5.25** Based on the evidence presented above, our conclusions, in headline terms, are summarised in the table below. This distils the effects we have observed and it considers the extent to which these can be attributed to the funding associated with WEIF.

**Table 5-1: Conclusions in relation to WEIF’s effect on capacity development and partnership working**

Effect observed...	...contribution(s) of WEIF to achieving it
The West of England has a <b>stronger strategic vision</b> than hitherto, particularly through the vehicle of the LIS. That in turn has been important in relation to the use of WEIF.	<ul style="list-style-type: none"> <li>• Many areas have local industrial strategies without having devolved investment funding – so the latter was not a necessary condition for the former. That said, the link to WEIF (both in terms of its ability to fund projects, and investment decision-making processes that necessitate collaborative prioritisation) has probably given the West of England LIS more traction than it would have had otherwise and elevated its status locally.</li> <li>• The JSP process could have signalled a loss of ‘sub-regional strategy/narrative’. Bolstered by WEIF, the LIS has largely filled this void.</li> </ul>
The West of England has <b>stronger partnership working with national agencies</b> , aligning resources in the process	<ul style="list-style-type: none"> <li>• The West of England appears to have established good working relationships with major government agencies and the use of WEIF seems to have been critical for three reasons: <ul style="list-style-type: none"> <li>➢ it has effectively ‘secured a seat at the table’ (as the devolved funding can be used alongside national funding streams)</li> <li>➢ it has paid for expertise/capacity within WECA, and this has been important</li> </ul> </li> </ul>

Effect observed...	...contribution(s) of WEIF to achieving it
<p><b>Partnership working within the West of England has matured substantially</b></p>	<ul style="list-style-type: none"> <li>➤ it has placed an emphasis on issues/interventions that are best tackled at a sub-regional (rather than local) level, which has led to more “meaningful” and strategic discussions with national agencies.</li> <li>• Arguably the scale of the funding pot has been sufficient to bring a wider range of sub-regional players to the table in a meaningful way. Many of those organisations have developed their own structures to be able to engage. The scale and scope of WEIF appears to have been a critical factor in this context, particularly in terms of the seniority of stakeholders involved.</li> <li>• As a result of better partnership working, alongside the publication of the LIS, the West of England is now more able to make investment decisions for the good of the locality as a whole.</li> <li>• The inference is that multi-partner projects may be an indirect benefit even if the WEIF contribution is modest (e.g. Bristol Temple Quarter Enterprise Zone).</li> </ul>
<p>The West of England is now in the process of <b>delivering major schemes</b>, far more of which are being <b>delivered at the scale of the West of England</b> (or at least involving two or more of the Unitary Authority areas) which maps onto the functional economic geography, and in a <b>more joined up way</b></p>	<ul style="list-style-type: none"> <li>• WEIF appears to have been crucial in terms of unlocking these schemes; they could not have been advanced if local partners had needed to rely on short term government funding (which is usually targeted at shovel-ready projects)</li> <li>• The scale of WEIF also appears to have enabled more ambitious and potentially transformational interventions to come forward than would otherwise have been the case</li> <li>• WEIF has enabled investment in feasibility studies and in the development of business plans, etc. The flexibility of funding (and availability of revenue) and the ability to take the long view – with certainty of funding over that period - has been critical in this context</li> <li>• The scale, approach to deployment (i.e. no formulaic allocation of WEIF monies on a ‘per UA basis’) and structures associated with WEIF have strengthened partnership working and provided resource to support cross-boundary projects (e.g. Metrowest). It is difficult to envisage that this would have occurred without WEIF</li> <li>• The Fund – and associated programme management capacity within WECA and strengthened partnership working – has encouraged more collaboration and alignment between projects (internally within WEIF and other funding streams), which is expected to lead to greater cumulative effects</li> <li>• Overall, WEIF funding and structures are enabling (i) different types of projects and (ii) more joined up projects to come forward</li> </ul>
<p>The overall scale of <b>public sector funding and private sector investment in the West of</b></p>	<ul style="list-style-type: none"> <li>• WEIF itself is part of this investment, but the question here is the extent to which it has helped to lever in other investment, both private and public. We think the evidence suggests that it has been important –</li> </ul>

Effect observed...	...contribution(s) of WEIF to achieving it
<p><b>England</b> has increased over the last decade</p>	<p>particularly insofar as it has worked alongside and around other public funding streams (e.g. TCF, LGF), encouraged more ambitious private sector investment (e.g. housing), and levered and influenced the strategic focus of ESIF funding (e.g. WFTF).</p>

Source: SQW

- 5.26** It is difficult to disentangle the contribution of WEIF from other factors, particularly the creation of the Combined Authority as an organisation and the development of the LIS, because they are so inter-related. However, based on the evidence above, the distance travelled in terms of capacity and partnership working across the West of England has been notable in a relatively short period of time. **Our conclusion is that WEIF has made an important contribution to the capacity development and partnership working improvements observed across the West of England.**
- 5.27** **Without a devolved investment fund of the scale and character of WEIF, many of the effects described above would not have been seen.** The money has been essential but not sufficient in generating these strategic outcomes. The *scale* of funding has provided scope to tackle significant challenges that span the West of England and led to a more ambitious approach, which in turn has bolstered local strategies and encouraged wider and more senior stakeholder engagement in the process.
- 5.28** However, it appears to be the scale *combined with the nature and mechanisms* of WEIF (i.e. the potential for flexible, sub-regional decision-making, capital and revenue, long-term, local accountability) that has encouraged better partnership working with national agencies (in part, reflecting the ability to fund large-scale, sub-regional interventions) and within projects, more collaborative decision-making, and more joined up interventions (both thematically, and across the geography). Whilst some would have liked to see this taken further (and particularly a different balance between what is perceived as “top-down” compliance vis-à-vis “bottom-up” stakeholder empowerment, buy-in and ownership), the journey of the last four years has been an important one. The evidence suggests that just providing “more money” to local areas – with a starting point of separate pots, rather than a central pot, of funding – is unlikely to have led to the same outcomes in this respect.

## Annex A: Gateway Review Indicators

**A.1** The purpose of this Annex is to map the Gateway Review Evaluation Indicators developed by CLGU against the coverage of the final evaluation reports provided by the National Evaluation Panel. For each indicator the table below indicates where:

- The indicator is not covered in the final evaluation reports (as it falls outside the scope of the work of the National Evaluation Panel)
- The indicator is partially covered in the final evaluation reports, but further information may be required from the Locality to respond fully (there are notes below to explain this partial coverage)
- The indicator is fully covered in the final evaluation reports.

## A: Evidence of Investment Fund intervention progress (relevant for all projects assessed)

**Table A-1: Evidence of intervention progress (relevant for all projects assessed) indicators**

Indicator	Coverage	Location of evidence in National Evaluation Panel (NEP) reports
<b>1. Explanation of the approval process you followed for the intervention including:</b>		
a) How the intervention was agreed by the CA, City Board or Cabinet, including a description of how challenge or disagreement being handled effectively, where applicable	Not covered	
b) How the views of stakeholders were considered during intervention development	Not covered	
c) How the intervention aligns with pre-existing investment programmes in the area	Not covered	
d) How the business case process was appraised (N.B. Robust appraisal should demonstrate value for money and potential for positive economic impact, developed in line with the HM Treasury Green Book)	Partially covered	Assurance Framework sets out appraisal process, referenced in the Main Report Progress against expected effects (as set out in the business cases) referenced in Progress Evaluation Evidence Paper However, robust appraisal of business case and selection processes not within scope of SQW evaluation.
e) How the intervention fits with pre-existing stakeholder frameworks, strategies and plans	Not covered	
<b>2. Explanation of the delivery process to date, including:</b>		

a) Intervention milestones agreed at Board level that are likely to result in successful delivery of the intervention	Not covered	
b) Delivery of the intervention against agreed intervention milestones with evidence of adjusting project/programme plans to mitigate the impact and to ensure value for money and successful delivery	Fully covered	See Progress Evaluation Evidence Paper and Main Report (Section 4)
c) An agreed spending profile for the intervention	Fully covered	See Progress Evaluation Evidence Paper and Main Report (Section 4)
d) Evidence of keeping to the spending profile and mitigating overspend or delays including evidence of adjusting spending and project/programme plans to mitigate the impact and to ensure value for money and successful delivery	Fully covered	See Progress Evaluation Evidence Paper and Main Report (Section 4)
e) Outputs generated to date by intervention activities	Fully covered	See Progress Evaluation Evidence Paper and Main Report (Section 4)
<b>3. Local evaluation plans and commitment to Investment Funds evaluation activities including the Independent Panel evaluation beyond the first gateway review in line with agreed milestones</b>	Partially covered	The scope of the NEP work has been on Gateway Review 1. A Locality Evaluation Plan was agreed and these are referenced in the Main Report, Sections 1 and 3. The development of (or commentary on) monitoring and evaluation plans post Gateway Review 1 will not be covered.

Source: SQW

## B: Evidence of intervention impact – not applicable in the West of England

Table A-2: Evidence of intervention impact (relevant where projects have been delivered) indicators

Indicator	Rating	Location of evidence in National Evaluation Panel (NEP) reports
1. Evidence that all evaluation activities set out in the evaluation plan developed by SQW has been completed. Evaluation plans developed sets out a range of activities, such as surveys, and before	Fully covered	



and after data comparisons that would inform reporting against logic models		
2. Evidence of delivery of the outcomes specified in the agreed logic model for each intervention	Fully covered	
3. Where possible, evidence showing a reasonable expectation that interventions will have long-term positive economic benefits	Partially covered	
4. Where possible, a description of outcomes that are expected to be delivered in the future	Fully covered	
5. Delivery of information and data to SQW to evidence the outcomes of specific interventions	Fully covered	

Source: SQW

## C: Evidence of capacity development and partnership working

Table A-3: Evidence of capacity development and partnership working indicators

Indicator	Rating	Location of evidence in National Evaluation Panel (NEP) reports
1. Description of leadership roles and responsibilities assigned within the locality	Not covered	
2. A description of engagement between local authorities within the locality on development and decision-making, both in relation to specific interventions (where appropriate) and the Investment Fund as a whole	Partially covered	See Main Report (Sections 3 and 5) and Capacity Building and Partnership Working Evidence Paper
3. Evidence that the City, CA or Cabinet has engaged stakeholders of a wider range, greater seniority and, where relevant, greater regularity than under previous governance and funding arrangements	Partially covered	See Main Report (Section 5) and Capacity Building and Partnership Working Evidence Paper

4. Evidence that the City, CA or Cabinet considered stakeholders' views during decision-making	Partially covered	See Main Report (Section 5) and Capacity Building and Partnership Working Evidence Paper
5. Evidence that stakeholders felt it was easier and more beneficial to engage with the City, CA or Cabinet than with previous governance arrangements	Partially covered	See Main Report (Section 5) and Capacity Building and Partnership Working Evidence Paper
6. Description of how the new governance structures for economic development have affected decision-making across the locality	Fully covered	See Main Report (Section 5) and Capacity Building and Partnership Working Evidence Paper
7. Evidence of an improved plan for the development of the locality as a whole including evidence of consensus among stakeholders about the future development of the local economy compared to under previous governance and funding arrangements.	Fully covered	See Main Report (Section 5) and Capacity Building and Partnership Working Evidence Paper
8. Description of how evidence has been used in the development of strategies and projects	Partially covered	See Main Report (Section 5) and Capacity Building and Partnership Working Evidence Paper

Source: SQW

## D: Contextual economic forecasting and comparison to out-turns

Table A-4: Contextual economic forecasting and comparison to out-turns indicators

Indicator	Rating	Location of evidence in National Evaluation Panel (NEP) reports
1. Forecast of economic growth in locality for GVA and employment to Year [5 or 10]	Fully covered	See Main Report (Section 2 and Annex C)
2. Forecast of economic growth nationally for GVA and employment to Year [5 or 10]	Fully covered	See Main Report (Section 2 and Annex C)
3. Out-turns of economic growth in locality for GVA and employment to Year [x]	Fully covered	See Main Report (Section 2 and Annex C)

4. Out-turns of economic growth nationally for GVA and employment to Year [x]	Fully covered	See Main Report (Section 2 and Annex C)
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Source: SQW

## Annex B: Peer Review comments

- B.1** The Academic Group was sent the draft final evaluation report alongside the four supporting evidence papers on 1st October; the same time as they were sent to the client, West of England Combined Authority. SQW hosted a virtual feedback session with all five members of the Academic Group on 15th October 2020 to discuss their feedback. This document provides a summary of their comments.

### Overall feedback

- B.2** The report and evidence papers are well written, clearly presented, comprehensive and easy to read. They are well grounded in the evidence and provide a strong and effective narrative on progress made in the West of England. The exposition and discussion in the report were suitably cautious and careful not to exaggerate the evidence base.
- B.3** It was made clear in previous documents that the evaluation has to focus on the progress made in delivering the projects that are being funded, particularly in relation to expenditure. Due to the early delivery nature of the projects, it is not plausible to assess project impacts. That said, the evidence demonstrates how the Bath Western Riverside intervention has unlocked land for housing (which is significant in terms of the benefits it has and will create), and the West of England Investment Fund (WEIF) has contributed towards improved partnership working and capacity.

### Reporting elements feedback

#### Overview report

- B.4** The report provides a helpful exposition on how the policy landscape has evolved in recent years. To add depth to this, it might be helpful to summarise why the Inspector raised major concerns in relation to the Joint Spatial Plan.
- B.5** The discussion regarding the economic context is well written. The evidence from Cambridge Econometrics' forecasts highlights the relatively favourable employment growth compared to that expected from the trend. The growth of GVA has been as expected. This all means that productivity growth has been relatively weak. The Academic Group suggested that it would be useful to reinforce the point that the forecasts are provided for contextual purposes only.
- B.6** Manufacturing employment in the area is reported to have fallen and be below the baseline trajectory. It would be helpful to consider whether the WEIF and the LIS has made attempts to improve this. [Note, this is not within scope of the evaluation]
- B.7** The report explains the strategy behind the Fund overseen by WECA. The interventions in scope for evaluation are made clear. However it would be useful to include a further

explanation of interventions that are not in scope and the reasons why (noting that some of these are high profile and large ventures, with significant amounts of WEIF committed).

- B.8** WECA has not used WEIF to fund borrowing. This is an approach that has been adopted elsewhere (working with relevant local authorities) and it potentially accelerates delivery. The report ought to note the approach that WECA has taken in these terms.
- B.9** The report explains that some project delays arose through liaison with central government departments e.g. DfE and DWP. A brief consideration of any general observations linked to this would be helpful.
- B.10** The report clearly identifies that the Fund created space for a strategy-led approach to deployment, but also that deployment has been relatively slow to date (in conjunction with establishing the Combined Authority and the timing of the Local Industrial Strategy (LIS)). It also notes that there has been some capacity development over recent years. It would be useful to explore the relationship between the two.
- B.11** The Investment Fund is increasingly being used alongside other funding streams. The consequent challenge of isolating the additionality of the Fund was recognised.
- B.12** The report correctly emphasises that the evaluation's remit is on the progress of the Fund and associated outcomes in terms of capacity building, rather than an evaluation of WECA as an organisation, process issues, or the selection of projects funded by WEIF. This is important context for the synthesis of stakeholder feedback in particular.

### Capacity development and partnership working

- B.13** The evidence is analysed effectively, and the key messages emerge well.
- B.14** The findings on the wider contribution on local capacity development and partnership reflect positively on how local growth funds can be used to help partners to work together effectively. This is important given the history of governance in the West of England.
- B.15** The Fund has also enabled local partners to have focused conversations with central government and national organisations which is significant in itself.
- B.16** The report makes it clear to the reader that the WEIF has provided resource to support the delivery of the LIS strategic priorities and that WEIF is now more focused on investments that would not have occurred at all without WEIF, or investments that are used to accelerate and/or increase in scale due to WEIF. The capacity building effects from this come across well.
- B.17** It was recognised that judgements on progress in capacity building depend hugely on the starting point: taking 2015 as the baseline year leads to different conclusions from those that would emerge from an earlier starting point. This broader context is important.

## Other discussions

- B.18** It was noted by the Academic Group that the evaluation raises some interesting issues on the approach taken to the strategic deployment of the Investment Fund, project prioritisation and selection, and fit with other interventions and agendas, from which there may be important policy lessons. However, it was recognised that these issues fall outside of the scope of the evaluation.
- B.19** The evaluation team may wish to make more use of quotes from consultees to give some indication of the range of opinions.

## Annex C: Economic forecasts and out-turns

- C.1** This Annex provides further details regarding the economic forecasting workstream. This includes an overview of the approach, interpretation of the results including any limitations, and the detailed data from both the baseline forecasts and analysis of out-turns.

### Approach

- C.2** As part of the Baseline Report, CE developed tailored baseline economic forecasts for West of England, based on a version of CE's Local Economy Forecasting Model (LEFM) that was available back in 2015.
- C.3** The tailored baseline economic forecasts were based initially on baseline economic projections from the LEFM, based on historical growth in the locality relative to the region or UK (depending on which area it has the strongest relationship with), on an industry-by-industry basis. It was assumed that those relationships continue into the future. The initial LEFM baseline projections did not take account of specific growth plans or major interventions that were in place at the time the Investment Fund was approved, but which could reasonably be expected to influence economic growth over the period to the first Gateway Review.
- C.4** The baseline LEFM projections were therefore revised to incorporate local information following desk-based research and a workshop with representatives from the Locality. The tailored baseline was developed within a version of LEFM calibrated to the local West of England economy, which incorporated GVA and employment adjustments to the non-tailored baseline as agreed by the local councils.<sup>23</sup>
- C.5** This annex compares the tailored short-term economic forecasts developed for the Baseline Report with the actual outcomes over 2013-2019<sup>24</sup>. The last year of historical data in the forecasts produced for the Baseline Report was 2013. The more recent actual outcomes data are taken from CE's updated historical database, which includes historical data to 2019. A sectoral comparison is also included, along with a comparison of the outturns at the UK and regional level.

### Interpreting the results

- C.6** The forecasts set out in the Baseline Report and the more recent historical data to 2019 are both based on CE's historical employment and GVA databases, allowing a comparison to be made between the two datasets. While the method to process the Year 1 and Year 2 data are

<sup>23</sup> Further details regarding the methodology and the effects of the tailoring are set out in the Baseline Report.

<sup>24</sup> The local area employment data in 2019 are estimates based on actual regional data. While the local area GVA data in 2019 are projections and are not based on actual regional data, they have been included for comparisons.

the same, it is important to note the following differences in the underlying raw data when interpreting the results<sup>25</sup>:

- The last year of actual local area employment data in the most recent data is 2018. The local area employment data in 2019 are estimates based on actual regional data<sup>26</sup>. Changes at the regional (South West) level over 2018-19 are proportionately disaggregated across all local authorities in the South West. The local area 2019 employment figures are therefore estimates, allowing an additional year to be used in the analysis. It is important to bear in mind, however, that the actual 2019 local area figures could be higher or lower if changes at the regional level were concentrated in particular local areas in the South West.
- The local area GVA data in 2019 are projections and are not based on actual regional data. They are modelled results, based on CE's standard method to produce baseline economic projections<sup>27</sup>. They have been included for comparisons.
- The price base of the GVA data has changed from £2011 in the baseline forecasts to £2016 in the latest historical data. The absolute GVA levels, therefore, cannot be compared between the two datasets. In order for both datasets to be compared, an indexed series has been created for both datasets where the GVA data in 2013=100. This allows recent growth rates to be compared with forecast growth rates. A similar approach has been taken when analysing the employment and productivity data.
- ONS published new local authority, NUTS2 and NUTS3-level GVA estimates based on an improved (balanced approach) methodology in 2018<sup>28</sup>. This new data have been incorporated into CE's latest historical database. The raw GVA data used in the Baseline Report was based on the old (income approach) NUTS2 GVA data available at the time, as the NUTS3 GVA data was not considered to be as robust.
- Additionally, ONS have published the latest NUTS2 GVA data by more detailed sectors than were available when the LEFM used in the Baseline Report was updated.

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<sup>25</sup> It is possible that improvements in the ONS GVA methodology have caused some differences between forecast and actual outturns. However, on the whole, the new ONS data are unlikely to have had a significant impact on the deviation of actual GVA growth from what was expected in the Baseline Report at the West of England broad sector level.

<sup>26</sup> This is due to the ONS release schedule for data. While 2019 regional employment data has been published, the 2019 employment estimate for local authority districts will not be released until the end of September 2020.

<sup>27</sup> Further details regarding the standard methodology for CE's baseline projections are set out in the Baseline Report.

<sup>28</sup> Balanced approach data is created by combining income and production approach data – a summary of how these approaches differ at the aggregate level can be found here: <https://www.ons.gov.uk/file?uri=/economy/regionalaccounts/grossdisposablehouseholdincome/methodologies/regionalaccounts/regionalrealgvatcm77262085.pdf>. A summary of how these two data sets are combined can be found here: [https://consultations.ons.gov.uk/national-accounts/consultation-on-balanced-estimates-of-regional-gva/supporting\\_documents/Development%20of%20a%20balanced%20measure%20of%20regional%20gross%20value%20added.pdf](https://consultations.ons.gov.uk/national-accounts/consultation-on-balanced-estimates-of-regional-gva/supporting_documents/Development%20of%20a%20balanced%20measure%20of%20regional%20gross%20value%20added.pdf)



- The incorporation of raw GVA data at lower spatial levels means that in some instances GVA has been redistributed between local areas and sectors within a NUTS2 area. This could lead to differences between the GVA data used in the Baseline Report and the latest GVA data. However, the effect on total GVA for a larger area, such as the West of England, and the effect on the growth rates by sector within the area will be limited, as this comparison focuses on broad sectors (not the detailed sector level in the new GVA data). A comparison between the forecasts is, therefore, still valid when analysing the indexed growth rate.

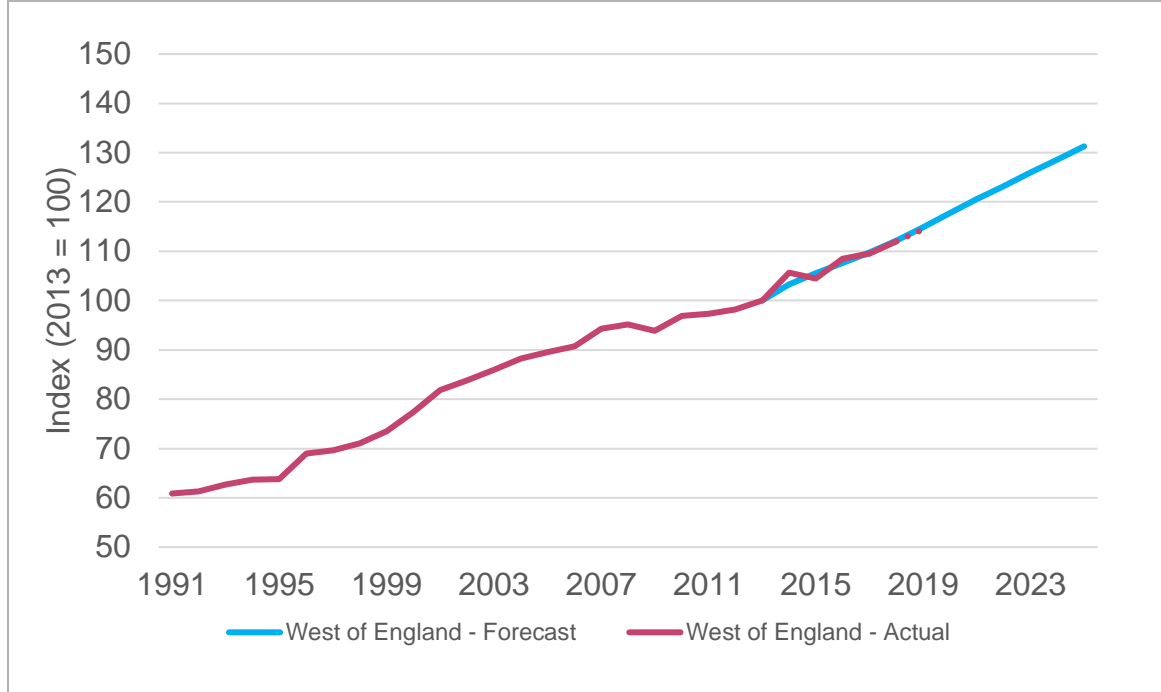
**C.7** These changes in the raw GVA data mean that any differences seen when comparing the short-term GVA forecasts from the Baseline Report to the actual outturns data could be due to the change in the GVA price base, improvements in the measurement and reporting of the GVA data and/or differences in what was expected back in 2015 versus what actually happened. There could be cases when variation between forecasts and actual data are explained more by methodological issues. However, the impact on growth rates at the West of England level are likely to be limited. It is difficult to estimate the relative scale of importance between the factors causing possible differences, as they will affect each local area and sector differently. For this reason, it is better to focus more on comparing forecast and actual growth rates, rather than absolute levels, particularly as the price base of the GVA has changed.

## Detailed data

### GVA

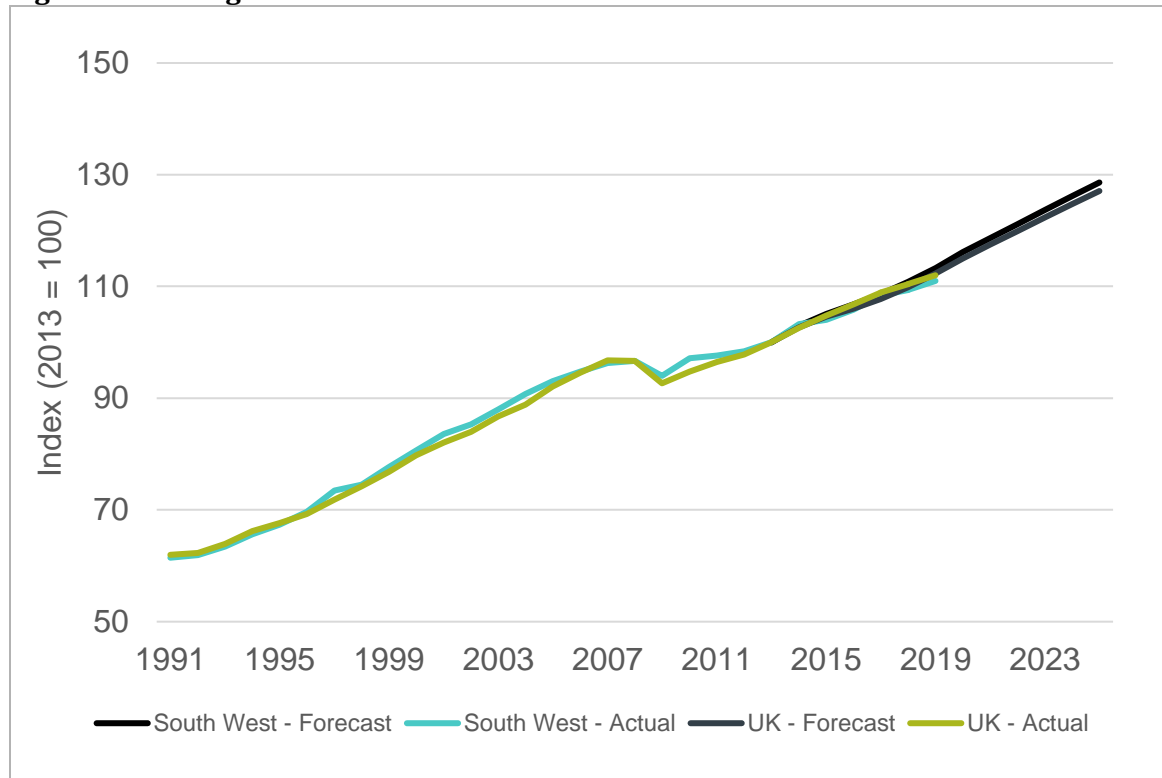
**C.8** Actual GVA growth in the West of England and the UK over 2013-19 was broadly in line with the baseline forecast (see Figure C-1 and Figure C-2), while GVA growth in the South West was slightly slower than forecast (0.3 percentage points (pp) slower than expected). GVA growth in the West of England (2.3% pa over 2013-19) was faster than the South West and the UK, which grew by 1.8% pa and 1.9% pa respectively over this period. In 2014, GVA growth in the West of England was strong (5.7% between 2013 and 2014) and outperformed expectations, followed by mild fluctuations thereafter.

**Figure C-1: GVA growth – West of England**



Source: CE tailored short-term economic forecasts and ONS data

**C.9** Table C-1 compares actual GVA growth rates by sector for the West of England with the forecast. Most of the service sectors were broadly in line with the forecast with less than 1 pp difference between expected and actual growth. Conversely, Construction and Distribution outperformed the forecast by 1.8 pp and 3.0 pp respectively. Agriculture (while a small sector) and Manufacturing were forecast to grow by 2.2% pa over 2013-19, but GVA in those sectors declined by -6.6% pa and -3.4% pa respectively.

**Figure C-2: GVA growth – South West and UK**

Source: CE tailored short-term economic forecasts and ONS data

**Table C-1: West of England GVA growth by sector, 2013-2019**

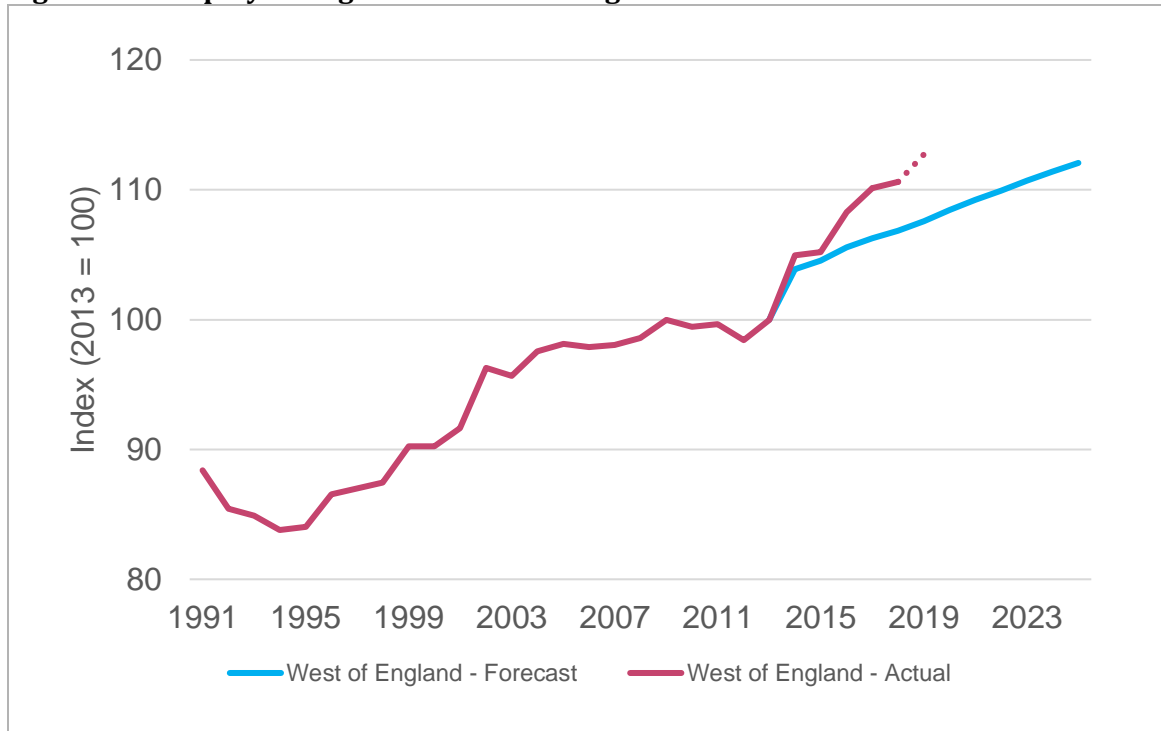
	Forecast growth (pa %)	Actual growth (pa %)	Percentage point difference (actual minus forecast)
Agriculture	2.2	-6.6	-8.9
Mining & quarrying	-2.5	4.0	6.6
Manufacturing	2.2	-3.4	-5.5
Electricity, gas & water	0.2	11.3	11.1
Construction	5.5	7.3	1.8
Distribution	2.0	5.0	3.0
Transport & storage	2.8	2.7	-0.1
Accommodation & food services	3.1	2.6	-0.5
Information & communications	2.9	2.1	-0.8
Finance & business services	2.4	2.1	-0.4
Government services	1.2	0.6	-0.6
Other services	3.0	3.2	0.2

## Employment

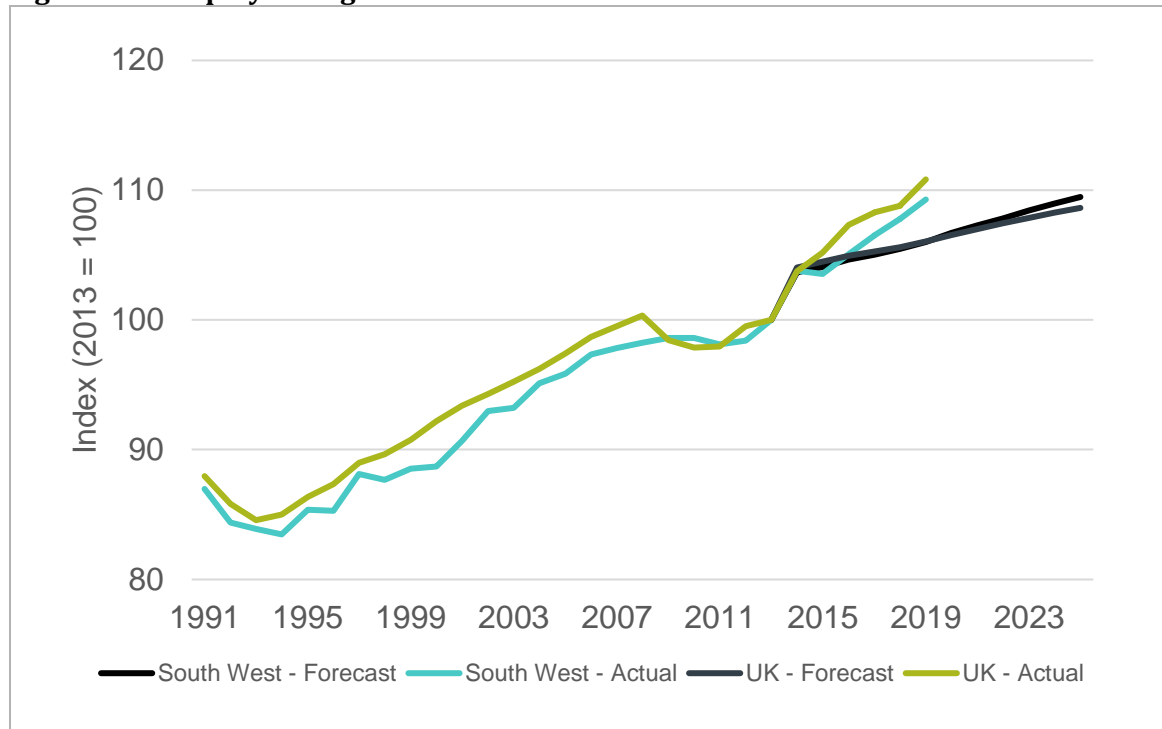
**C.10** Employment grew above expectations in all areas over 2013-19 (see Figure C-3 and Figure C-4). This is most notable in the West of England, which grew by 2.0% pa over 2013-19 (0.8 pp higher than forecast in the Baseline Report). Similarly, employment in the UK as a whole grew by 1.7% pa over 2013-19, compared to a forecast of 1.0% pa. Despite stronger than expected employment growth in the West of England in 2015, employment in the South West as a whole fell slightly by 0.2% in 2015 (compared to forecast growth of 0.4%), implying a fall in employment elsewhere in the South West.

**C.11** Employment growth in the West of England started to deviate positively from the expected growth path in 2014 and this gap continued to widen over the forecast period. As Figure C-3 shows, employment grew sharply between 2015 and 2017 before slowing down in 2018 and picking back up in 2019. The UK followed a similar trend as the West of England, where the growth slowed down in 2017-18 and picked up again in 2019.

**Figure C-3: Employment growth – West of England**



Source: CE tailored short-term economic forecasts and ONS data

**Figure C-4: Employment growth – South West and UK**

Source: CE tailored short-term economic forecasts and ONS data

**C.12** Almost all the sectors experienced higher than expected employment growth in the West of England, except for Agriculture and Manufacturing, which both saw a fall in employment. The stronger than expected employment growth in the West of England was driven by above forecast growth in Government services (1.4 pp above the baseline forecast) and Transport and storage (3.4 pp above the baseline forecast).

**Table C-2: West of England employment growth by sector, 2013-2019**

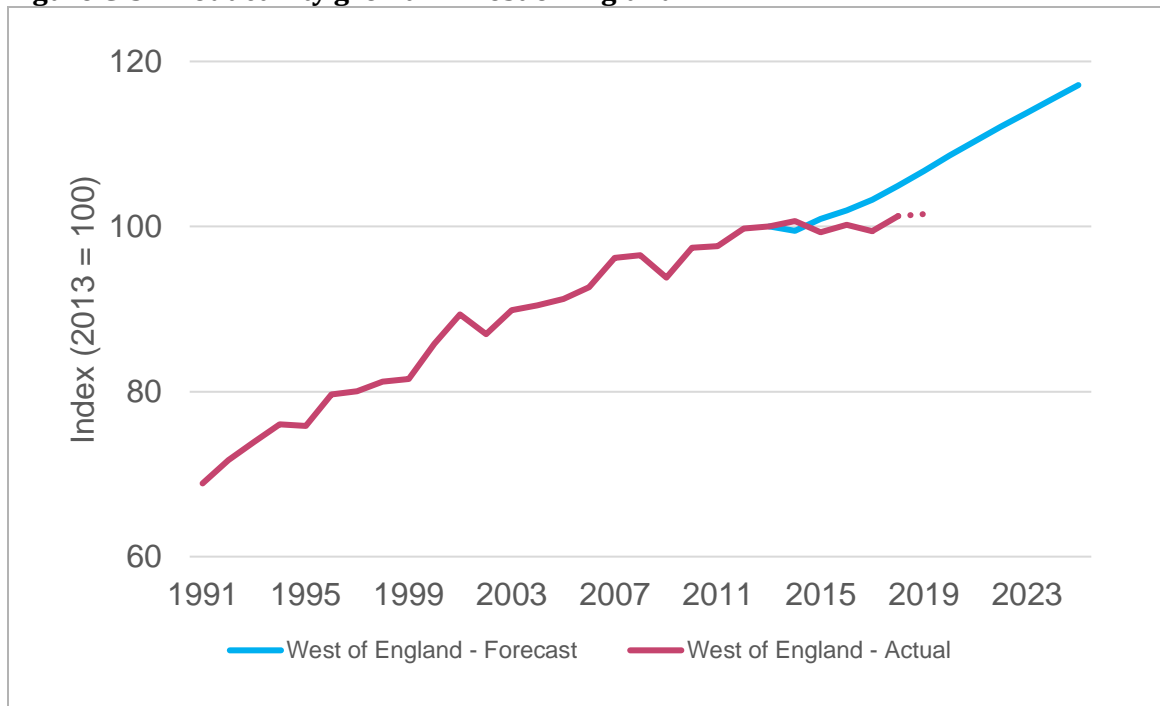
	Forecast growth (% pa)	Actual growth (% pa)	Percentage point difference (actual minus forecast)
Agriculture	7.3	-3.4	-10.7
Mining & quarrying	-11.1	-6.2	4.9
Manufacturing	-0.3	-1.3	-1.0
Electricity, gas & water	-1.0	11.0	12.0
Construction	3.8	4.1	0.3
Distribution	-0.4	0.3	0.6
Transport & storage	0.0	3.4	3.4
Accommodation & food services	4.0	4.6	0.6
Information & communications	1.5	3.7	2.2

	Forecast growth (% pa)	Actual growth (% pa)	Percentage point difference (actual minus forecast)
Finance & business services	2.4	2.5	0.0
Government services	0.1	1.5	1.4
Other services	1.6	2.4	0.8

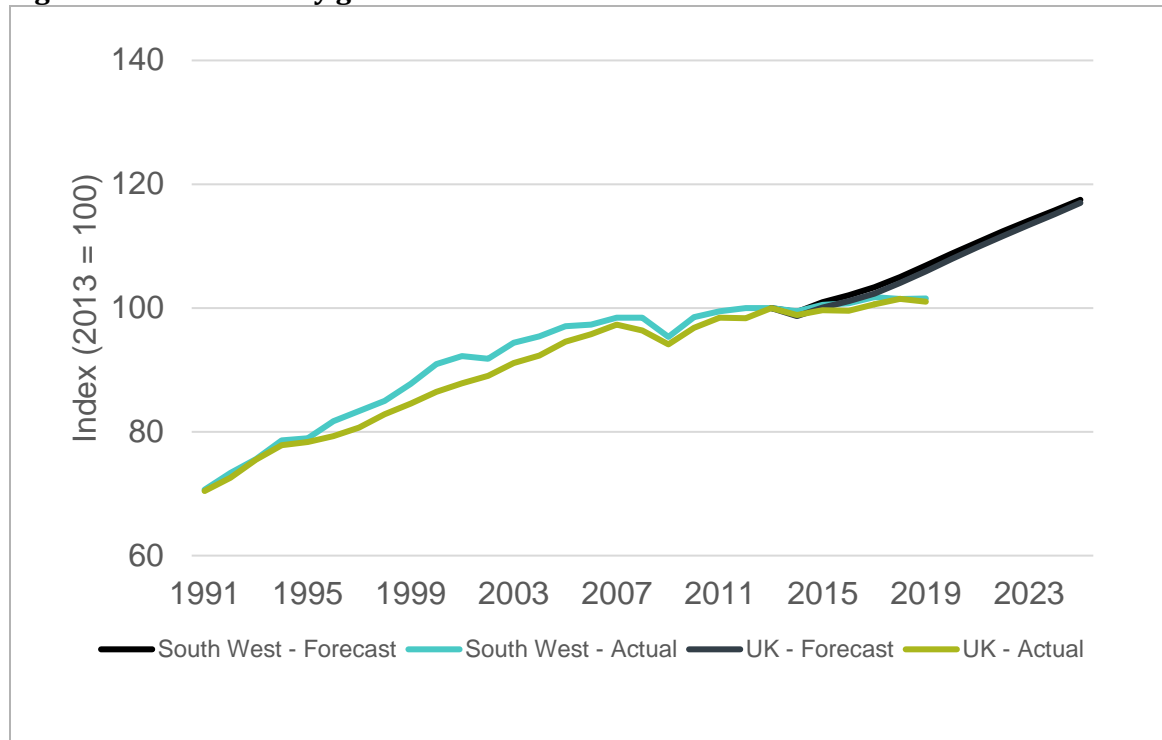
## Productivity

**C.13** Figure C-5 and Figure C-6 show that productivity growth over 2013-19 was below expectations for all areas, supported by stronger than expected employment growth over this period. Productivity in the West of England and the South West was forecast to grow by 1.1% pa over the period, but was in fact much slower (0.2% pa). This is in line with the UK as a whole, which also experienced weaker than expected productivity growth of 0.2% pa over 2013-19, compared to an expected 1.0% pa.

**Figure C-5: Productivity growth – West of England**



Source: CE tailored short-term economic forecasts and ONS data

**Figure C-6: Productivity growth – South West and UK**

Source: CE tailored short-term economic forecasts and ONS data

**C.14** Productivity growth underperformed expectations in more than half the sectors in the West of England (see Table C-3). Manufacturing and Information and communication were the two sectors that experienced the greatest loss in productivity over 2013-19, falling by -2.1% pa and -1.6% pa respectively. Productivity growth in Construction and Distribution over 2013-2019 were higher than expected (supported by strong GVA growth), outperforming expectations by 1.4 pp and 2.4 pp respectively.

**Table C-3: West of England productivity growth by sector, 2013-2019**

	Forecast growth (% pa)	Actual growth (% pa)	Percentage point difference (actual minus forecast)
Agriculture	-4.7	-3.4	1.4
Mining & quarrying	9.6	10.9	1.3
Manufacturing	2.5	-2.1	-4.6
Electricity, gas & water	1.3	0.3	-1.0
Construction	1.7	3.1	1.4
Distribution	2.4	4.8	2.4
Transport & storage	2.7	-0.8	-3.5
Accommodation & food services	-0.9	-1.9	-1.1
Information & communications	1.4	-1.6	-3.0

	Forecast growth (% pa)	Actual growth (% pa)	Percentage point difference (actual minus forecast)
Finance & business services	0.0	-0.4	-0.4
Government services	1.1	-0.9	-2.0
Other services	1.4	0.8	-0.6

## Conclusion

**C.15** West of England outperformed the wider region and the UK in terms of employment and GVA. GVA growth in the West of England has increased in line with expectations, but this masks stronger than expected employment growth over 2013-19 and slower than expected productivity growth.





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