

**REPORT SUMMARY SHEET
QUARTERLY PROGRESS REPORT ON 2018-19 WECA BUSINESS PLAN**

Purpose

To provide an update on progress in delivering the WECA Business Plan for 2018-19

Summary

- The Business Plan supports the delivery of the Operating Framework agreed by the WECA Committee and Joint Committee on 18 April 2018.
- The Business Plan sets out the key deliverables for 2018/19 in relation to skills, business support and infrastructure, as well as enabling corporate activities.
- Regular reporting on progress in delivering the Business Plan is a key element of WECA's overall performance management and reporting framework.
- The report provides a summary of key achievements and also sets out details of any significant exceptions to delivery, together with information about mitigating activities.

Recommendation

That the Committee notes the update on delivery of the 2018/19 WECA Business Plan

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REPORT TO: WECA and JOINT COMMITTEE

DATE: 1st FEBRUARY 2019

**REPORT TITLE: QUARTERLY PROGRESS REPORT ON 2018/19
WECA BUSINESS PLAN**

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**AUTHOR: LYNDA BIRD, HEAD OF PERFORMANCE,
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Purpose of Report

- 1 This report provides an update to both the WECA and Joint Committee on progress in delivering the West of England Combined Authority Business Plan for 2018/19.

Recommendation

- The Committee are asked to note the update on delivery of the 2018/19 Business Plan.

Background / Issues for Consideration

- 2.1 The West of England Combined Authority 2018/19 business plan was agreed by WECA and the Joint Committee on 1st June 2018.
- 2.2 A progress report covering the period June – August 2018 was presented to WECA and Joint Committee in September 2019. This report covers the period October – December 2018.
- 2.2 The business plan supports delivery of the operating framework agreed by WECA and the Joint Committee on 18th April 2018. It sets out the key deliverables during 18/19 for skills, business support and infrastructure, as well as the enabling corporate activities.
- 2.3 Regular reporting on progress in delivering against the business plan is a key element of WECA's overall performance management and reporting framework which was reviewed by Audit Committee on 8th November
- 2.4 Work has commenced on development of the business plan for 2019/20 in Autumn, in parallel with the development of the budget. The 2019/20 business plan is presented as a separate report to WECA and Joint Committee.
- 2.3 This report provides a summary of key achievements and details any significant exceptions to delivery together with mitigating activities. It also highlights upcoming

activities. Where activities are specifically for WECA, Joint Committee, or both, this is indicated.

Progress Report

Business
<p>Progress continues to be made against a number of key interventions including Talent Institutes, 5G Smart Tourism and Invest Bristol and Bath/Growth Hub. The successful landing of a Channel 4 Creative Hub will act as a catalyst for further growth and investment in the region's high performing creative/digital sector, with programmes like the new DCMS Creative Scale-up Programme helping to ensure benefits are realised and shared. Over the next quarter, we will see new projects like Love Your High Streets and Low Carbon Challenge Fund take shape.</p>
Key achievements this reporting period
<p><i>WECA</i></p> <ul style="list-style-type: none"> • Feasibility study for creation of Talent Institutes underway • Major trial of 5G Smart Tourism project held at the Roman Baths • Secured £1.35M from DCMS to support a programme of work to enable creative business to scale-up • £10M Love our High Streets Fund agreed and three pilot projects identified <p><i>Joint Committee</i></p> <ul style="list-style-type: none"> • Invest Bristol and Bath Review recommendations agreed by Joint Committee on 30th November • Successful landing of Channel 4 Creative Hub with up to 50 new jobs anticipated • Long term strategy for Growth Hub expansion established, to be presented to LEP Board in January 2019 • West of England's Scale Up Enabler initiative highlighted as "a role model to emulate" in the latest annual report on the UK's scale-ups • Approval for £4.2M Low Carbon Challenge Fund from European Regional Development Fund • Expression of Interest submitted for £4M Research & Innovation Challenge Fund from European Regional Development Fund • South West Energy Hub programme manager in post to take forwards programme
Issues to note
<p><i>WECA and Joint Committee</i></p> <ul style="list-style-type: none"> • Ensuring capacity is in place to deliver on growing pipeline of funded projects and programmes
Upcoming activity
<p><i>WECA</i></p> <ul style="list-style-type: none"> • Shortlisting of Talent Institutes proposals and further development of business cases for investment • Work to progress to develop criteria for next wave of Love our High Street grants, informed by learning from pilot projects and emerging Government guidelines <p><i>Joint Committee</i></p> <ul style="list-style-type: none"> • Continued implementation of recommendations from IBB Review and Growth Hub Strategy paper

- Establish delivery arrangements for Creative Scale-up programme funded by DCMS
- Establish delivery arrangements for Low Carbon Challenge Fund.
- Respond to feedback on Expression of Interest for Research and Innovation Challenge Fund
- West of England attendance at MIPIM 2019 Cannes to promote inward investment opportunities
- Local Industrial Strategy evidence base to be made available and work to continue to work with Government and stakeholders to develop Local Industrial Strategy
- Series of workshops being held to inform development of West of England Cultural Strategy

Skills

Significant progress is being made to effectively land devolved Adult Education Budget and ensure WECA is geared up to deliver a transition/no change year in 2019/20. Other existing commitments like Future Bright and the Careers Hub continue to establish themselves and are now delivering real and tangible benefits to residents and businesses alike. Over the next quarter, WECA will lead on the development of a new £8.5m Skills Innovation Fund, designed to support SME engagement with the education and training provider base and create new work based opportunities for residents.

Key achievements this reporting period

WECA

- Devolution of powers and funding relating to Adult Education Budget to WECA came into force in November 2018. Planning for 2018/19 transition year well underway with application guidance published for consultation
- The broadening of eligibility criteria for access to Future Bright programme successfully negotiated with DWP, leading to increased interest

WECA and Joint Committee

- WECA committee agreed £4.5m allocation of Investment Fund for a new Skills Innovation fund (SIF), with £4m match from European Social Fund

Joint Committee

- Skills Expert Group 'Challenge Day' held to kick-start the process of developing a regional Employment and Skills Plan
- West of England Careers Hub successfully established and Enterprise Co-ordinators recruited to support 20 'Hub schools'

Issues to note

WECA and Joint Committee

- Ensuring capacity is in place to deliver on growing pipeline of funded projects and programmes

Upcoming activity

WECA

- Grant funding and draft allocations process for transition year 2018/19 Adult Education Budget devolution
- Continued promotion and marketing of Future Bright

Joint Committee

- Development of parameters of Skills Innovation Fund and further market engagement
- Completion of draft West of England Employment and Skills Plan

Infrastructure

Key consultations in relation to Joint Spatial Plan and Joint Local Transport Plan will continue / commence this quarter, providing a basis for future decision making.

Key achievements this reporting period

WECA

- The Joint Assets Board was established on 30th November and draft Terms of Reference agreed. The work programme will be discussed at the next meeting.
- Good progress has been made on the Housing Infrastructure Fund bid, ready for submission in March 2019. A separate report is provided to WECA Committee on this matter
- Principles for a £50m Land Acquisition Fund were approved by WECA Committee on 30th November 2018. This provides robust governance and an investment framework to enable a Housing Deal. Project criteria are being developed on the basis of a recyclable grant model, and a separate report is provided to WECA Committee on this matter
- A Key Route Network has been agreed in principle and development of operational requirements is underway
- Bus strategy meeting with Members to review progress and developing options by end January 2019. Stage 1 report to follow in Spring.
- Bristol area rail feasibility study examining increased sub-urban rail frequencies underway- Stage 1 report produced and Stage 2 commissioned to be reported Summer 2019.
- Approval in principle received for initial transfer of Integrated Transport Authority functions – transition plan being developed looking at options and wider possibilities for collaboration

Joint Committee

- The One Public Estate 7 bid was submitted on 30th November, announcements on successful bids are anticipated in February 2019
- Completion of final draft of Joint Local Transport Plan document and supporting Environmental Reports (Strategic Environmental Assessment, Equalities Impact Assessment, Health Impact Assessment, Habitats Regulation Assessment screening report)
- Tram trains study comparing options for Portishead link underway
- Sub-National Transport meeting held December 2018

Issues to note

Joint Committee

- The Joint Spatial Plan examination in public is scheduled to take place in May 2019 and a number of activities are dependent upon the outcome.
- Amendments requested to the Joint Local Transport Plan plan after Joint Committee approval, Consultation due to start on 6th February 2019
- Removal of Severn Tolls took place on 17th December 2018. Monitoring and discussions with Highways England and Department for Transport continue

Upcoming activity

WECA

- Reports on WECA led activity to be brought to February Committees to include:
 - Principles within the WECA Led HIF bid
 - Plans to establish a Procurement Strategy and Professional Services Framework.
 - Proposals for future development phase of Mass Transit
 - Transition plan and future stages for consideration of Transport Functions
- Engagement with Local Authorities and Members regarding emerging options for proposed Bus Network Review.

Joint Committee

- Amended Joint Local Transport Plan to be taken to Joint Committee on 18th January 2019. Public consultation on updated plan scheduled to commence 6th February through to 20th March 2019 and will include major stakeholder event.
- HRA Appropriate Assessment for the major transport schemes completed
- Temple Quarter Master Plan development work continues
- Tram trains study final report expected end of March 2019

Corporate Services

WECA has been working closely with Directors and Chief Executive Officers of Bristol, South Glos and BANES in order to better understand the overall funding available to the region in preparation of publishing a notional 20 year financial allocation linked to strategic objectives and priorities within the approved WECA Operating Model and Business Plan

Key achievements this reporting period

WECA and Joint Committee

- Director of Investment and Corporate Services commenced in post
- 2019/20 budget setting and longer term financial planning underway to support transparency and engagement across the region on core financial matters
- Underspends forecasted for both WECA and LEP budgets as a result of surplus income from Treasury Management activity
- ICT service specification developed in order to better understand the future ICT needs of WECA

Issues to note

WECA

- 5-year government gateway review, which will evaluate progress against the Investment Fund, will commence in 2019;
- Preparation underway to secure the required corporate resource to efficiently manage £17.9m (per annum) of Adult Education Budget which will transfer from government in 2019

WECA and Joint Committee

- WECA will be appointing a new IT supplier in 2019
- WECA exploring a more strategic and proactive approach to investment of funds in respect of significant cash balances held by the authority

Upcoming activity

WECA and Joint Committee

- Revised, sustainable structure to be developed for Corporate Services within the overall resource envelope available
- External contracts for corporate service related functions to be reviewed with a view to future provision being 'in house' (if appropriate)
- 2019/20 budget setting taking place in February 2019 within the context of a longer term financial plan for the region
- Positive joint working with B&NES to improve current ICT services, for the remainder of the contract, whilst preparing for the transition to a new service provider
- Starting to develop a more integrated approach to the management and governance of all major grant funding streams including the Investment Fund, Transforming Cities Fund, EDF and LGF

Consultation

- 3 Drafts of this report have been shared with the West of England Directors and Chief Executives. An update will be provided to the West of England Local Enterprise Partnership Board.

Other Options Considered

- 4 None

Risk Management/Assessment

- 5 WECA's Risk Management Framework was discussed by Audit Committee in November 2018 and has now been formally adopted. The key risks to delivery of the business plan are highlighted in the Corporate Risk Register and are provided in Appendix 1 to this report. These are reviewed on a monthly basis by the WECA Senior Management Team.

Public Sector Equality Duties

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

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

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

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

activities where their participation is disproportionately low.

- 6.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review
- 6.3 Work is underway to develop an Equalities Framework for WECA and details of this will be included in the first annual equalities report to the Annual General Meeting.

Finance Implications, including economic impact assessment where appropriate:

- 7 Activities within the 2018/19 business plan are covered from existing budget allocations. There are no additional financial implications arising from this report.

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

Legal Implications:

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

Advice given by: Shahzia Daya, Director of Legal Services

Land/property implications

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

Advice given by: David Carter, Director of Infrastructure

Human Resources Implications:

- 10 Activities within the 2018/19 business plan are supported through existing resources. Where individual projects may have workforce implications these will be identified and discussed with relevant Directors to ensure any management of change is undertaken according to policy and best practice.

Advice given by: Alex Holly, Head of Human Resources

Background papers:

WECA Business Plan 2018/19

WECA Performance Management Framework – Report to Audit Committee November 2018

WECA Risk Management Framework – Report to Audit Committee November 2018

West of England Combined Authority Contact:

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

Appendix 1: WECA Corporate Risk Register Summary Table

Category	Risk	Impact	Mitigation
Delivery	There is a risk that national priorities may change over the course of the year.	This could potentially require significant alterations and additions to the business plan and impacting onto current delivery plans	Regular discussions at both official and political level. Delivery of business plan monitored by WECA SMT and reported to WECA Chief Executives quarterly
Delivery	There is a risk that WECA may not have completed recruitment to enable delivery of all the activities in the business plan	This could potentially impact delivery timescales, quality of deliverables and budget	Complete recruitment to key posts in the organisation, meanwhile drawing on available capacity in the constituent authorities, with interim and consultancy support engaged where appropriate
Delivery	There is a risk that the unpredictable impact of Brexit on Business across the region will lead to uncertainty and lack of confidence.	Businesses may be reluctant to make decisions regarding investment in the region	WECA to convene working group and to engage with LEP Board and Business West to identify early issues and discuss approaches
Delivery	There is a risk that Committee members may be unable to reach agreement on key proposals.	WECA would be unable to realise the opportunities and benefits of the activities set out in the business plan	Strong partnership working arrangements are in place to ensure that proposals are developed to support and complement the priorities and objectives of the constituent councils
Delivery	There is a risk that the activities identified in the business plan may not achieve the desired balance of economic growth and inclusive growth.	The West of England is unable to realise the full benefits and opportunities of devolution	Equalities impact assessments will be carried out for each specific activity to identify potential issues and clear mitigations and these will form part of the organisation's performance management framework
Financial	There is a risk that WECA is not able to optimise all funding available to deliver maximum benefit for the region. Potential risk of not being able to comply with the required conditions of specific funding streams.	The West of England is unable to realise the full benefits and opportunities of devolution.	Develop, and implement, an Investment Strategy that better links the allocation of funding to WECA priorities. Promote clearer accountability, flexibility and integration of all available funding streams including LGF, EDF, HIF, Transforming Cities and Investment Funding.
Financial	Instability in the way that Government funds Combined Authorities could impact on the future sustainability of WECA. WECA capacity is currently resourced through short term funding streams - Mayoral Capacity Fund and Business Rates Retention pilot.	WECA will not be able to retain high calibre staff, balance its budget or deliver against its priorities	Discussions ongoing with HMRC and Treasury. The medium term financial plan will be updated with more detail included, as far as practicable, and forming part of the 2019/20 Budget Process.

Legal & Governance	There is a risk that there are dependencies on the Joint Spatial Plan, the outcome of which is in an independent examination process and therefore not yet known.	This could potentially require significant alterations and additions to the business plan and impacting onto current delivery plans	The process to prepare a statutory development plan document has been followed and robust governance and technical working arrangements are in place to deliver the project
Legal & Governance / Delivery	There is a risk that processes and procedures are not in place to support devolution of the Adult Education Budget	Learners do not realise the benefits of this devolved power. Current provider base destabilised. Moderate reputational damage	Readiness conditions set by Government have been met. A project team is being recruited. Mechanism in place to fund administrative support from the devolved budget through use of underspend. Ongoing engagement and dialogue with providers to inform future delivery. Legal advice sought.