

**West of England Local Enterprise Partnership  
Board Meeting**

**Monday 19 March 2018, 3pm-5pm  
West of England Combined Authority Offices  
3 Rivergate, Temple Way, Bristol, BS1 6ER**

**LEP Board:**

Prof Steve West, University of the West of  
England (Chair)  
Cllr Tim Warren, Bath & NE Somerset Council  
Mayor Marvin Rees, Bristol City Council  
Cllr Nigel Ashton, North Somerset Council  
Cllr Matthew Riddle, South Gloucestershire  
Council  
Mayor Tim Bowles, West of England Combined  
Authority  
Christopher Grier, Airbus  
Neil Douglas, Viper Innovations

Dick Penny, Watershed  
David Brown, The Bristol Port Company  
Jon Reynolds, BT  
Andrew Hodgson, KPMG  
David Pester, TLT Solicitors  
Katharine Finn, PwC  
Martino Burgess, Gregg Latchams  
Mohammed Saddiq, Wessex Water  
Prof Hugh Brady, University of Bristol  
James Durie, Business West

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**Agenda**

	<b>Subject</b>	<b>Presenting</b>
1.	<b>Welcome and apologies</b> Apologies from Cllr Tim Warren, Mohammed Saddiq	Steve West
2.	<b>Minutes of the meeting of 24 January 2018</b> To approve minutes from the previous meeting.	Steve West
3.	<b>Declaration of Interest</b> All Board members have a responsibility to treat all proposals/projects equally and impartially and must therefore declare whether they or their organisation has either a direct or indirect interest in any of the projects to be considered by the Board.	Steve West
4.	<b>Register of Interest</b> Verbal update	John McCormack
5.	<b>Appointment of business Deputy Chair</b> Verbal update	Steve West
6.	<b>Regional Strategy</b>	Jessica Lee / Helen Edelstyn
7.	<b>Energy Strategy</b> <ul style="list-style-type: none"> <li>• Presentation from Janine Michael, Centre for Sustainable Energy</li> </ul>	Helen Edelstyn

<b>8.</b>	<b>Growth Hub</b>	Chris Jennings
<b>9.</b>	<b>Investment Programme</b>	Pete Davis
<b>10.</b>	<b>Institute of Technology (IoT) bid</b> Verbal update	Steve West
<b>11.</b>	<b>AOB</b>	All

**West of England Local Enterprise Partnership  
Board meeting**

**Wednesday 24 January, 2:30pm-4.00pm  
3 Rivergate, Temple Quay BS1 6ER**

<b>Present:</b>	
Prof Steve West, University of the West of England (Chair)	Jon Reynolds, BT
Cllr Nigel Ashton, North Somerset Council	David Pester, TLT Solicitors
Mayor Marvin Rees, Bristol City Council	David Brown, The Bristol Port Company
Cllr Tim Warren, Bath & NE Somerset Council	Dick Penny, Watershed
Cllr Matthew Riddle, South Gloucestershire Council	Prof Hugh Brady, University of Bristol
Patricia Greer, West of England Combined Authority	Katharine Finn, PwC
Amanda Deeks, South Gloucestershire Council	Neil Douglas, Viper Innovations
Mike Jackson, North Somerset Council	Andrew Hodgson, KPMG
Mohammed Saddiq, Wessex Water	
<b>In Attendance</b>	
Helen Edelstyn, West of England Combined Authority	Jessica Lee, West of England Combined Authority
Chris Hackett, Bristol City Council	Pete Davis, West of England Combined Authority
Ben Woods, Bath & NE Somerset Council	Melissa Houston, West of England Combined Authority
<b>Apologies:</b>	
Mayor Tim Bowles, West of England Combined Authority	Martino Burgess, Gregg Latchams
James Durie, Business West	Ashley Ayre, Bath & NE Somerset Council
Christopher Grier, Airbus	Denise Murray, Bristol City Council

**Draft Minutes**

<b>1.</b>	<b>Welcome and Apologies</b>	<b>Action</b>
	Steve West welcomed attendees.  Apologies were noted.	
<b>2.</b>	<b>Declarations of Interest</b>	
	All Board members have a responsibility to treat all proposals/projects equally and impartially and must therefore declare whether they or their organisation has either a direct or indirect interest in any of the projects to be considered by the Board. Steve West emphasised it was important to keep this up to date.  Members interests are recorded in the published Registers of Interests: <a href="http://www.westofenglandlep.co.uk/about-us/board-representatives/">http://www.westofenglandlep.co.uk/about-us/board-representatives/</a>  Dick Penny declared that he is currently in receipt of funding for the new VR Lab. This project includes UWE (Steve West) and University of Bristol (Hugh Brady).  A "Register of Interest" form will be circulated for all new business board members to complete.	
<b>3.</b>	<b>Minutes of the meeting of 15<sup>th</sup> December 2017</b>	
	The minutes were approved as a true record.	

<p><b>4.</b></p>	<p><b>Appointment of LEP business board members</b></p> <p>Steve West introduced the agenda item and noted following due process the Business Nominations Committee would like to nominate Andrew Hodgson, Christopher Greer, David Brown, David Pester, Dick Penny, Prof Hugh Brady, James Durie, Jon Reynolds, Katharine Finn, Martino Burgess, Mohammed Saddiq and Neil Douglas. The nominations were proposed by Cllr Nigel Ashton and seconded by Cllr Tim Warren. The Board agreed to endorse the nominations.</p> <p>Steve West noted that he is keen to set up a wider strategic advisory group to build on the interest and expertise shown by other un-successful candidates. Steve will work alongside the team to bring proposal for this forum forward.</p>	
<p><b>5.</b></p>	<p><b>Regional Strategy</b></p> <p>Steve West introduced the agenda item and invited Jessica Lee to update members on the West of England Strategy.</p> <p>Jessica Lee explained that this is an ongoing working document, focusing on economic growth. During the 9-week engagement programme that took place over the summer of 2017, the 3 pillars of the strategy - business, skills and infrastructure – were well supported, however some concerns were raised around growth being beneficial for all and environmental sustainability. Following feedback, Jessica Lee is now working to refine the narrative, Regional Strategy and business plan.</p> <p>An open conversation developed around ambition, what makes this region unique, and ways to bring the document alive with existing projects to give both business and Government confidence to invest here.</p> <p>The importance of geography and emphasizing place were also discussed. Steve West believes the document should be written for an external audience, adapting where necessary for internal use – but should be used as a source document by all of us to consistently tell the same growth story about the region.</p> <p>Jessica Lee took members through the business plan, identifying key objectives and the “big ideas” - Are there any gaps? What can we do to achieve this? Points raised around the Business pillar included access to finance, performance measurers and indicators and becoming a destination of choice for both UK businesses and foreign investment. This led to a discussion around the importance of “brand” and how the West of England brand needed to be stronger.</p> <p>Points raised around the Skills pillar included provision accessibility, meeting the demands of business and ensuring we do not create an economy just for PhD’s as we also need to consider access routes for those without GCSE’s and/or NEET.</p> <p>A discussion around the Infrastructure pillar included the need for employment space for scale-ups, the expansion of both the port and airport and common issues around housing, transport and congestion.</p> <p>To progress we need to work together to develop a strong, complimentary relationship. Steve West proposed that the business members meet later to focus on this agenda item in more detail.</p>	

<b>6.</b>	<b>Programme Funding</b>	
	<p>Pete Davis introduced the agenda item and confirmed that no decisions were to be made today, this was for information only to provide an overview of the LEP funding streams.</p> <p>Steve West emphasised that this board will have the opportunity to shape future decisions.</p>	
<b>7.</b>	<b>AOB</b>	
	<p>Mayor Marvin Rees provided a brief update on the Bristol Arena project. It was agreed that further information was required – by way of a business case – prior to any further discussion or decision.</p>	
	<b>Next meeting: Monday 19 March, 3-5pm. WECA Offices</b>	

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## **Regional strategic framework and Local Industrial Strategy proposal February 2018**

### **Section one - Introduction**

This paper sets out our approach to developing a regional strategic framework and the Local Industrial Strategy, including an engagement plan and timetable.

The paper has been informed by discussion with the West of England Mayor, the Chair of the LEP, members of the Advisory Boards and the West of England Directors Group.

The remainder of the paper is divided into 4 sections:

- Section 2: Current position
- Section 3: Regional strategic framework
- Section 4: Proposals for Local Industrial Strategy and engagement
- Section 5: Strategic framework timetable

### **Section two – current**

Following a period of stakeholder engagement during the summer / autumn 2017 the intention was to develop the West of England Regional Strategy discussion document into a final West of England Regional Strategy, setting out our vision and priorities for action, to guide investment decisions.

Stakeholder engagement during this period was positive (over 15,000 individuals and organisations were reached through online channels, 301 responses were received to the online survey and a full programme of activities from roundtables to drop in sessions were run). However, members and officers have not felt sufficiently engaged in the development of the strategy nor have they felt clear about the process.

Meanwhile, Government has been clear that the Mayor and Combined Authority, supported by the LEP, will need to develop a Local Industrial Strategy. This will need to be developed in partnership with Government (they are using the language ‘co-produced’) and based on evidence. The expectation is that the Local Industrial Strategy will be used to guide future financial support from Government. Government is clear that they do not want ready formed strategies to simply be rebranded as Local Industrial Strategies.

Following the visit from Alex Chisholm and subsequent meeting between the Mayor and Secretary of State for BEIS, Greg Clark, we have opened discussions with officials about starting work on the West of England Local Industrial Strategy. We will shortly be meeting with the Director General for Industrial Strategy at BEIS to start the ball rolling.

We have also heard informally that Government is planning a Spending Review next year, which will guide further investment in the regions.

### **Section three – Regional strategic framework**

We need to ensure that we have an agreed strategic position to influence Government spending decisions. Government also expect us to have a Monitoring and Evaluation framework in place, based on an agreed strategic position. This is likely to form a key part of our 'annual conversation' with Government, which is taking place April. There is a potential risk to funding and functions, if we cannot demonstrate to Government that the decisions we are taking are based on an agreed position.

To support these discussions, and guide the work of the Combined Authority, we will develop a high level strategic framework and business plan. This will be a short, visual, document, that sets out our vision, objectives and top-level performance indicators and will be based on the work already developed. We propose to work towards getting this signed off by the West of England Combined Authority and West of England Joint Committee in April.

### **Section four – Local Industrial Strategy**

Our main focus must be on the development of the Local Industrial Strategy. We need to put in place mechanisms that allow us to effectively engage across the region on its development. Our proposal is to mirror Governments co-production approach with a regional co-production team.

To oversee the development of the strategic framework we will set up a steering partnership, chaired by the Mayor. The membership will be a mix of Advisory Board members from the constituent councils, plus representatives from the LEP.

The regional co-production team would be led by the Combined Authority strategy team, who will also lead co-production with Government. The regional co-production team will include representatives from the constituent councils, universities and LEP. We are awaiting further guidance from Government on a Local Industrial Strategy framework and timetable. This will shape both the timetable and expectations of a regional co-production team.

We will also run workshop sessions – with members, officers and the Local Enterprise Partnership – in March / April. This will form the basis of the engagement process to support the Local Industrial Strategy work and will also look at the regional strategic framework ahead of the April meeting of the Combined Authority and Joint Committee.

### Section five – Strategic framework timetable

date	event	product	objective
7/3	CEOs	Proposed approach on strategic framework and Local Industrial Strategy	Agreement to way forward
9/3	Directors engagement	Proposed approach on strategic framework and Local Industrial Strategy	Agreement to way forward
16/3	CEOs informal	Oversight on progress	Agreement to way forward
16/3	Leaders and CEOs informal	Oversight on progress	Agreement to way forward, plus engagement and buy-in
23/3	Directors engagement	Oversight of progress, prep for member engagement session	Engagement and buy-in
29/3	Informal CEOs	Oversight of progress, prep for member engagement session	Agreement to way forward
4/4	Members engagement session [Advisory Boards]	Early themes for Local Industrial Strategy Strategic framework 'straw-man'	Engagement and secure buy in from members of advisory boards
4/4	Leaders, Mayors and CEOs agenda setting	Draft high level strategic framework, performance framework and business plan	Secure agreement and prep for 18 April meetings
6/4	Directors engagement	Draft high level strategic framework, performance framework and business	Secure agreement and prep for 18 April meetings
18/4	WECA and Joint Committee	High level strategic framework, high level performance and business plan	Agreement

**West of England Local Enterprise Partnership  
Board meeting – 19 March 2018**

## **West of England Energy Strategy Update**

### **Purpose of Report**

1. To provide Members with an overview of the scope and purpose for the West of England Energy Strategy.

### **Background**

2. On 13th March 2017, the West of England LEP was allocated £50,000 Section 31 grant funding from the Department for Business, Energy and Industrial Strategy (BEIS) to develop an energy strategy for the West of England region. We had applied for this funding through a competitive bidding process and were one of 13 LEP areas, of the 39 that applied, to be successful with our bid. Government has since granted similar funding to the remaining LEPs, so each is now in the process of developing a new, or building on an existing, energy strategy for their area.

### **Governance**

3. This is a West of England LEP project. The West of England Joint Committee agreed to release the energy strategy funding at their meeting on 30<sup>th</sup> October 2018.
4. The project is overseen by a steering group made up of Energy, Sustainability and Economic Officers from the five West of England Authorities, chaired by WECA as Accountable Body for the LEP. The steering group, which has been meeting monthly since April 2017, worked together to develop the funding bid and subsequent project brief.
5. The Local Authority Development Directors and Chief Executives are kept up to date with the project through their regular meetings, and this item will be taken to the Joint Scrutiny Committee meeting on Wednesday 21<sup>st</sup> March.
6. We are aiming to deliver a strategy-on-a-page to the Joint Committee on 1<sup>st</sup> June 2018. This will be included in the papers for the LEP Board in May. Recognising this will not allow time for Members to shape the content, we will provide an opportunity for discussion through an informal meeting.

### **Project Scope**

7. As prescribed by Government the focus of this strategy is local energy, rather than national, and about identifying how we can enable a locally resilient system. This means that it will not directly address large scale energy infrastructure, e.g. nuclear or tidal.

8. The steering group have been instrumental in developing the project brief. In summary, the project is to develop a West of England Energy Strategy that provides a framework for secure, reliable, clean and affordable energy, supporting the region to become a beacon for innovation with energy infrastructure that enables clean growth. We believe this aligns with our vision for the region and with Government's ambition for the energy system, as set out in their Industrial Strategy and Clean Growth Strategy. This project builds on the important work of our constituent Authorities, draws together local assets and expertise, and highlights the potential for innovation that exists here.
9. In line with the provisions and objectives of the Climate Change Act 2008, 2050 carbon neutral targets, the West of England has a combined carbon reduction target of 50% reduction in absolute carbon emissions by 2035 from a 2014 baseline (Joint Spatial Plan, policy six reasoned justification). Significant public and private investment in infrastructure, product development, innovative business models and market acceleration is required to achieve this. Achieving our targets can lead to economic growth. To give the national picture, since 1990 the UK has seen a 42% reduction in emissions while our economy has grown by two thirds, meaning we've cut emissions faster whilst growing our national income more than any other G7 country over the same period. The low carbon sector alone is growing four times faster than the rest of the economy, employs 430,000 people and has export potential of up to £170bn (UK Clean Growth Strategy 2017). We recognise a huge economic opportunity in clean growth.
10. With appropriate investment, the West of England is ready to harness this opportunity. From our proactive electricity and gas network operators keen to innovate with local partners, the academic excellence of our four universities, strong Local Authority involvement in energy projects, the range of established businesses with sizable presence and innovative business start-ups breaking into the market, to a growing community energy sector and an engaged and active population pushing demand for low carbon products and services, there is potential for the West of England to become the centre of the clean growth revolution.
11. However, this is not only about driving economic growth and meeting targets. Moving to a clean energy system could also support our resilience as a region against the impacts of climate change, enhance our natural environment, improve the health outcomes of our most vulnerable citizens, bring down operating costs and boost productivity for business, and reduce household bills and increase the lifetime affordability of home-ownership.
12. The strategy will align our priorities and direct regional action over the short, medium and long-term, not only for the public sector but for all stakeholders in the local energy system.

## Evidence Base

13. In December 2017, WECA contracted Centre for Sustainable Energy (CSE), a national charity based in Bristol, to compile the evidence base for our strategy and help us identify priorities for action over the short, medium and long-term. CSE have been carrying out stakeholder events, workshops and interviews as part of their energy study and aim to deliver their final report to us by the end of March / early April 2018.

14. The energy system changes identified in the evidence base are:

- A complete shift to very low and zero carbon electricity, mostly renewable, much of it decentralised
- Smarter and more flexible management of demand, including storage, to enable higher penetration of renewables
- Huge reductions in energy demand in buildings and the equipment and processes within them
- Decarbonisation of heat
- A dramatic rise in use of electric vehicles and other steps to cut the carbon emissions of road transport
- Ensuring new build developments achieve their full low carbon potential and contribute effectively to a smarter energy system

15. As part of this early engagement on the developing strategy we have invited Janine Michael, Head of Development at CSE, to speak to you about the results of their evidence base review and the emerging thinking around priorities. There will be an opportunity to share your views on the approach being taken to the study and the emerging priorities after the presentation at the Board meeting.

16. It would be great to explore these priorities with members further as the plans develop. In advance of the meeting, we ask Members to consider whether they would be interested in:

**(a) being involved in a small group discussion with CSE at some point over the next few weeks?**

**(b) taking a more leading/championing role on this work for the Board?**

## Next steps

17. We are working to provide our high-level priorities to BEIS in April 2018. We will then continue to develop the full strategy document ready for adoption in early summer 2018.

## Recommendation:

18. Members are asked to give their views and note the report.

Report Author: Jessica Johns

## West of England Local Enterprise Partnership - 19 March 2018

### West of England Growth Hub

Author Chris Jennings / Sam Bell

#### Purpose

1. To seek the LEP Board's views on how Growth Hub activity should be prioritised for the next two years to support SME growth in the West of England.

#### Recommendation

2. That the LEP Board:
  - Discuss and agree the future strategic priorities for the West of England Growth Hub
  - Nominate a Growth Hub champion from the LEP board

#### Strategic Fit

3. Within the emerging regional strategy supporting Small & Medium Enterprises is a key focus of activity. They employ nearly 75 per cent of our total workforce and are a key driver of entrepreneurialism, innovation and jobs growth. To realise the region's true economic potential we will need to continue to support businesses to start up and grow.
4. The Industrial Strategy also restates Government's position that it will be "providing continued funding to enable Growth Hubs to bring public and private sector partners together... We want Growth Hubs to carry on *building* their reach, developing peer-to-peer networks, connecting businesses to the best support available from the private and public sectors."
5. The Growth Hub is a key tool at our disposal and Government funding (£328k pa) has been secured for the West of England Growth Hub for the next two financial years (2018-19 & 2019-20) from the Department of Business, Environment and Industrial Strategy (BEIS).

#### Background

6. After government changes to the provision of local business support via the Regional Development Agency's and Growth Accelerators, LEPs lobbied for the need for more local influence over Business Support activity and in 2014 the Growth Hubs were formed.
7. There is no single defined model for a Growth Hub, as they are designed to reflect local requirements, although all Growth Hubs have committed to 4 key points.
  - To raise awareness of Business Support
  - Offer diagnostic and signposting to the most effective support available
  - Run networking events to support business in developing local contacts and commercial opportunities
  - Simplify the Business Support Landscape

#### The current West of England Growth Hub model

8. The current West of England Growth Hub is provided mainly through a digital platform to support the SME community: It acts as a 'one stop shop' aimed at

simplifying access to the wide variety of business support activities available in the West of England.

9. This model was chosen reflecting the broad ecosystem of business support already in existence (e.g four universities, enterprise agencies, chamber of commerce & local authorities) and a desire not to further duplicate or confuse this already well populated landscape. It was also designed to meet the Government requirement of ensuring funding was directed at the most efficient mechanism for business support, tailored to the region.
10. The model development was overseen by a group of SME business leaders, chaired by a LEP Board member.
11. The types of support available to businesses via the Growth Hub are:
  - Support to grow your business
  - Start up Support and Workshops
  - Access to skills packages and training courses
  - Export support
  - Manufacturing, innovation and research advise
  - Access to Finance
  - Information and Guidance for Local Authorities
  - Access to National and local government schemes
  - Access to GOV.UK
  - Business Support Helpline
12. Businesses access the Growth Hub by registering on the portal and following a series of guided steps to access the tailored support required.

### **Analysis of existing model**

13. The current model has provided many SMEs with a route to the support they need as measured by the number of referrals directly through to services via the hub for the first 2 months of 2018 – 33 Direct referrals have been made and a total of 738 direct referrals from 1/1/17 – 28/2/18
14. To date 09/03/2018 we have had 26,535 unique views to the Hub, with a with just under a quarter of them being returning users.
15. There are over 100 providers offering services through the hub ensuring that a broad range of businesses can access the support they need.
16. The website has been reviewed and an update is in progress recognizing that there several key topics that all businesses face (e.g access to finance, recruitment of skilled individuals, understanding apprenticeships & starting to export) where a more tailored approach would be beneficial. For example, access to finance is a very broad topic and what a start-up might need vs a business with lots of assets looking to grow could be quite different. The website will be subject to extensive user testing from SMEs.
17. In contrast to other Growth Hubs face to face direct business support has not been provided as: the ecosystem in the West of England already provides a huge amount in this area; and there have been concerns around the scale of impact that could be achieved within the budget available.

## **Future Strategy**

18. In order to improve the offer the WoE Growth Hub can make to businesses we propose to focus activity in the following areas for the next two years:

### *Online Directory*

19. We propose to maintain but improve the digital platform as a directory of services which highlights support packages. We propose to streamline the content and improve the evaluation of the Growth Hub schemes and deliver greater value for money by making best use of free national on-line content services such as GOV.UK, GREAT and the National Support Helpline (support for start up's). We are achieving this with a new home page and updated signposting tool. This is currently being built by our web developers, and user testing taking place with SMEs across all sectors using a customer journey we mapped to provide insight.

### *Increase Profile*

20. It is proposed that over the next 2 years of funding we raise the profile of the Growth Hub and further develop our relationships with key partners in the region such as our universities, IoD, DIT, Enterprise zones, Chambers, LA's, Innovate UK, British Business Bank, accelerators, FSB (Federation of Small Business), Business Schools.
21. We will also undertake increased activity to increase awareness of the services available through the Hub.
22. We will also seek to ensure we actively explore the opportunity to share office space, hot desking and other resources with partners to allow clear visibility of the Growth Hub.

### *Provide more direct business support*

23. In order to deliver against our own regional strategic aims of supporting SMEs as well as addressing an increasing expectation from Government that Hubs should be more pro-active in supporting businesses we propose to allocate Growth Hub funding to provide direct face to face support.
24. There are several options for how this could be provided detailed below. In addition to the core team and website the available funding for business support ranges from £80k-£120k.
25. In addition, we believe we should retain some funding to enable continued support for specific scale up activity through the highly successful scale up enabler role and that we should explore options to conduct outreach work to improve support for business and entrepreneurs in areas of the region that need it most.

Item 8

Option	Description	Strengths	Weaknesses
Direct employment of navigators	<ul style="list-style-type: none"> <li>- Employ 1 or 2 people directly to handle calls / manage webchat for businesses accessing the hub to enable fast, tailored referrals to services</li> <li>- Would not give direct business advice</li> </ul>	<ul style="list-style-type: none"> <li>- Direct control and flexibility of resources</li> <li>- Clear ownership and intent from LEP</li> <li>- Direct access to other WECA/LEP functions (e.g IBB / Skills team)</li> <li>- Does not duplicate existing support</li> </ul>	<ul style="list-style-type: none"> <li>- Limited impact due to budgetary constraints</li> <li>- Is not direct support to businesses</li> </ul>
Procure external support	<ul style="list-style-type: none"> <li>- Competitively appoint contractor to undertake diagnostic and signposting (e.g KPMG Enterprise / Inspire Elite / YTKO)</li> <li>- Also provide direct business support as relevant to their offer</li> <li>- Could procure more than one provider to broaden offer</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>- Using tested expertise</li> <li>- Managed by contract, easy to measure outputs</li> <li>- Low administrative burden</li> <li>- Incentivised provider</li> </ul>	<ul style="list-style-type: none"> <li>- Limited impact due to budgetary constraints</li> <li>- Less direct control and weaker link to LEP/Growth Hub</li> </ul>
Affiliate with existing local business support providers	<ul style="list-style-type: none"> <li>- Seek to negotiate SLAs with local providers (e.g Business West / SetSquared / Engine Shed / UWE (FutureZone)) in return for grant funding.</li> <li>- Providers would be co-branded with Growth Hub giving them national Govt status and widening reach and profile of Hub</li> <li>- SLA would set minimum targets for business support (e.g hourly rate for advice / number of quality referrals)</li> <li>- Enables agile response to emerging needs e.g support scale up and outreach work</li> </ul>	<ul style="list-style-type: none"> <li>- Quality assurance of services</li> <li>- Enables access to wider range of contracted services through network of provision</li> <li>- Enhances partnership working and enables greater reach for Growth Hub brand</li> <li>- Could</li> </ul>	<ul style="list-style-type: none"> <li>- Untested model, relies on partner's agreement</li> <li>- Requires a process to decide who to affiliate with</li> <li>- Need to identify appropriate funding mechanism</li> </ul>

26. It would be possible to have a blended model using elements of each option within budgetary constraints and having considerations for likely impact. Which of these options would best address local and Governmental objectives as set out above?

**West of England Local Enterprise Partnership  
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**LEP Programme Funding**

**Purpose of the report**

1. To provide an overview of the LEP funding programme, projects seeking funding and key current issues.

**Background**

2. A consistent approach has been developed, the 'One Front Door', for schemes seeking funding through the LEP Local Growth, Economic Development and Revolving Infrastructure Funds. This involves recommendations being made by an Investment Panel comprising the Chief Executives of the Local Enterprise Partnership and the four local authorities, oversight by the LEP Board and formal decision making by the West of England Joint Committee. For schemes within the Economic Development Fund advice is provided by the four Council S151 officers as part of business case approval decision.
3. It is recognised that transparency, accountability and ensuring value for money must be central to these arrangements, and Government have set out their expectations in this regard in the 'Local Enterprise Partnership - National Assurance Framework'. The [West of England assurance framework](#) sets out the way in which these requirements are met.
4. An overview of the constituent LEP funding streams and the consistent approach applied to project development, approval, monitoring and evaluation was presented to the LEP Board on 24 January. This report sets out key developments and issues since the last meeting.

**Local Growth Fund (LGF)**

5. The LGF is grant funding awarded by Government following the production of the Strategic Economic Plan in 2014 (Growth Deal rounds 1 and 2), and a [follow up bid](#) submitted in July 2016 (round 3). The total funding awarded was £202.1m over the period 2015/16 - 20/21. There was a requirement from Government to spend funds in year for 15/16 and 16/17, and whilst this has softened in accounting terms, performance with delivery is still assessed including an annual review. The current LGF programme is shown in Appendix 1. The LGF allocation for 17/18 is £49.8m, whilst current forecast spend is £17.4m. When the thematic allocations yet to be awarded to projects are included, the programme is currently £25.4m overprogrammed. This is being kept under review, and will need to reduce as the programme moves through to the end of the period of funding.

*Business Cases Seeking Approval*

6. Four business cases have been submitted seeking LGF funding, as summarised below. These have been independently reviewed and the key issues to address and the proposed recommendation to the West of England Joint Committee for each are set out in Appendix 2.
  - *A39 Bences Garage Junction Improvement scheme* – Full Business Case submitted by Bath and North East Somerset Council and seeking £700k drawing on the Sustainable Transport Package/Pinch Points thematic allocation of £4.5m.

- *Grow-On2 Temporary Building* – Full Business Case seeking £1.004m submitted by South Gloucestershire Council for a project at the Bristol and Bath Science Park to provide an interim solution to address the constraint at Grow-On 1 which is operating at capacity.
- *NUCLEATE – Nuclear Futures Open Innovation and Technology Centre* - Full Business Case seeking £14m submitted by the University of Bristol to support the development of a nuclear research facility at the Bristol and Bath Science Park.
- *Clevedon Cultural Quarter: Creative and Digital Business Hub* - Outline Business Case seeking £1.3m for the acquisition and refit of the vacant Waverley House submitted by Curzon Cinema and Arts/Clevedon Chamber of Commerce.

7. Key current issues for the LGF are:

- Managing the under delivery against grant awarded for 17/18 largely arising from slippage of schemes within the programme.
- Managing the level of overprogramming to ensure there are sufficient programme schemes and a strong pipeline to deliver full grant spend overall and broadly as allocated.

### **Economic Development Fund (EDF)**

8. The EDF is a fund of £500m created through the City Deal and derived from business rate growth in the Bristol Temple Quarter Enterprise Zone and five Enterprise Areas. The fund operates for 25 years (currently in year 4) and as the growth is cumulative, funds in the later years are higher than those in the early years. To overcome this cashflow situation, and ensure the infrastructure key to the growth is delivered when needed, the Council(s) promoting the scheme borrow to fund infrastructure early, with costs (capital and interest) being repaid over the duration of the fund.

#### *Business Cases Seeking Approval*

9. One business case has been submitted seeking EDF funding, as summarised below. This business case has been independently reviewed and the key issues to address and the proposed recommendation to the West of England Joint Committee is shown in Appendix 3.
- *Bath Riverside Enterprise Zone Team* – Full Business Case seeking £685k submitted by Bath and North East Somerset Council to fund the creation of a Programme Team to promote and bring forward strategic sites over a three year period from 2018/19.

10. Key current issues for the EDF are

- Ensuring that the full £500m of retained business rates for the EDF is secured both in terms of national changes to business rate arrangements and that infrastructure funded is enabling jobs growth as forecast.
- Ensuring that funds held in the fund exceed annual calls upon it across the 25 years.

**Revolving Infrastructure Fund (RIF)**

11. The £56.7m RIF was created from awards by Government from the Growing Places Fund and Regional Growth Fund. The fund commenced in Spring 2013 and seeks to enable the delivery of infrastructure required to unlock or serve development that will bring about economic and/or housing growth. The RIF is a revolving fund in that it aims to recoup all the grant it pays out, ideally from private sector sources such as S106 contributions or CIL payments.
12. No business cases have been submitted for consideration at this time, but key current issues for the RIF are:
  - Ensuring that job output requirements of Government are met.
  - Ensuring funds are repaid and revolve so this this funding model remains available going forward.

**Outputs and Outcomes**

13. Aside from RIF which began in 2013, the other funding streams have only been available for 3 years and it is therefore not surprising that only a modest number have completed and the first of the post scheme evaluation reports are only now being produced. That being said, Appendix 4 seeks to give a flavour of the current position for the three programmes based upon information from business cases and monitoring reports.
14. The complete One Front Door programme, its approval status and funding awarded can be viewed [here](#).

**Author:** Pete Davis

## Appendix 1

Local Growth Fund Schemes LGF Spend £000s	15/16	16/17	17/18		18/19	19/20	20/21	Total
	Grant Claim		Grant Claim for 16/17	Current 17/18 Claim	Current Profile	Current Profile	Current Profile	Current Profile
<b>Transport Schemes</b>								
MetroWest Phase 2 Development Costs	140	351	53	1,156	1,500	-	-	3,200
MetroWest Phase 1 Development Costs	3,304	3,291	251	2,002	-	-	-	8,848
MetroWest Phase 1 Implementation	-	-	-	-	42,058	2,494	-	44,552
Sustainable Transport Package 15/16	2,898	-	-	-	-	-	-	2,898
Sustainable Transport Package 16/17	-	1,934	71	1,734	-	-	-	3,739
Sustainable Transport Package 17/18	-	-	-	1,079	2,629	882	-	4,590
<b>Sustainable Transport Package programme</b>	-	-	-	-	2,000	2,565	2,131	6,696
Pinch Points - West Wick Rbt and North South Link	-	1,783	-	-	-	-	-	1,783
Pinch Points - Aztec West Roundabout	-	1,833	268	-	1,101	-	-	1,000
Portway Station	-	-	-	-	238	315	-	553
Pinch Points - A4018 Corridor Improvements	-	-	-	-	-	625	1,000	1,625
Saw Close Public Realm, Bath	-	112	-	-	-	-	-	112
Weston-super-Mare Town Centre	-	-	-	-	750	750	-	1,500
A39 Bences Garage Junction Improvement	-	-	-	-	700	-	-	700
<b>Transport GD3 Thematic Allocation</b>	-	-	-	-	550	1,250	2,000	3,800
<b>FE Skills Capital Schemes</b>								
Weston College Future Technology Centre	2,743	-	-	-	-	-	-	2,743
Law and Professional Services Academy	5,563	13,829	-	-	-	-	-	19,392
Advanced Engineering Centre Extension	-	784	949	2,225	45	-	-	4,003
B&NES Construction Skills Centre	-	1,419	1,313	-	-	-	-	2,732
North Somerset Enterprise Technical College	-	2,177	-	-	-	-	-	2,177
Increasing the capacity of the BEMA Training Centre	-	-	-	13	62	-	-	75
Weston College Construction Skills Centre	-	-	-	312	2,959	-	-	3,271
Weston College Health and Active Living Skills Centre	-	-	-	1,885	3,474	-	-	5,359
<b>Skills Capital GD3 Thematic allocation</b>	-	-	-	-	1,000	4,000	2,000	7,000
<b>Infrastructure Schemes</b>								
Aerospace Bristol	-	1,700	-	-	1,200	-	-	500
Superfast Broadband SGC	-	714	-	556	40	-	-	1,310
Superfast Broadband CDS	-	-	-	-	400	-	-	400
B&B Cultural Destinations Media Bank	-	14	-	119	14	-	-	147
Town Square, Weston-super-Mare	-	1,227	61	1,591	100	-	-	2,979
Bath Quays Bridge	-	355	-	-	615	-	-	970
Cattle Market Road Demolition Works	-	278	95	502	-	-	-	875
Colston Hall Phase 2 Transformation Project	-	-	-	1,000	4,000	-	-	5,000
Bath Quays South Phase 1 Enabling Infrastructure	-	-	-	930	223	-	-	1,153
Bath Quays North Phase 1b Relocation of Coach Park	-	-	-	93	4	-	-	97
<b>Innovation Schemes</b>								
Bristol Institute of Technology, BRL and UEZ	1,952	2,548	-	-	-	-	-	4,500
Bath Innovation	-	-	-	-	-	8,750	-	8,750
Health Technology Hub	-	1,036	103	191	-	-	-	1,330
FoodWorks <sup>SW</sup> Innovation Centre	-	-	-	410	8,382	3,052	-	11,844
NTProStruct	-	2,374	1,484	-	-	-	-	3,858
Composites Bridge Construction	-	-	-	773	2,968	1,309	-	5,050
OPCR - Sensor Factory, CAV, Bottleyard & KWMC	-	-	-	677	2,919	444	-	4,040
Expansion of OPCR Programme	-	-	-	-	2,917	5,049	-	7,966
Engine Shed Phase 2	-	-	-	-	1,700	2,300	-	4,000
IAAPS	-	-	-	-	10,000	-	-	10,000
Bristol VR Lab	-	-	-	162	133	-	-	295
Bristol SETsquared Urgent Expansion	-	-	-	15	75	-	-	90
Quantum Technologies Innovation Centre	-	-	-	-	2,300	7,500	5,173	14,973
<b>Innovation GD3 Thematic Allocation</b>	-	-	-	-	1,000	2,000	2,000	5,000
	16,600	37,759	4,648	17,425	93,454	43,285	14,304	227,475
<b>GD1-3 Allocation</b>	16,600		42,407	49,832	45,370	13,575	34,312	202,096
<b>Change from allocation</b>	0		0	-32,407	48,084	29,710	-20,008	25,379

Note: MetroWest Phase 1 costs are provisional

Project complete
Indicative profile  
Subject to approval of: Change request
Business Case

## Appendix 2a

### A39 Bences Garage Junction Improvement Scheme

#### Executive Summary

Funding is requested to enable Bath and North East Somerset Council to deliver a junction improvement scheme at A39 Bences Garage junction in Marksbury. The existing three armed junction, owned by Bath and North East Somerset Council (B&NES) regularly causes severe congestion during the peak hours. Traffic modelling (allowing for future growth) suggests that if changes are not implemented then the junction becomes fully saturated (90%+) within the modelling period causing further major delays on what is a key route to and from Bath/Keynsham from the South West. The primary contributing reason for these oversaturated results is due to the junction's layout; the two approaches on the A39 are not able to run the same traffic signal stage due to the A39 southbound approach exiting on to both the A39 and A368.

To improve the existing junctions operation a layout change is required to allow the higher trafficked A39 southbound and northbound moves to run within the same traffic signal stage. To allow this staging arrangement change an additional lane has to be added for vehicles on the A39 southbound approach to safely exit onto the A368. Benefits of this proposal are that it adds vehicular capacity to the junction and allows the majority of cycle time to be allocated to the A39.

The scheme will require 992m<sup>2</sup> of land to be released by a private land owner. Negotiations are at an advanced stage and a price has been agreed. Third party land is also required to accommodate a small footpath link to the garage however this is not critical to the main scheme.

The new junction will support growth in Somer Valley and Keynsham, as well as growth in Bath and outside of the B&NES boundaries to the South and West (Somerset/North Somerset). It will ensure that this corridor does not suffer with ever worsening congestion and air pollution, and will extend the footway to provide additional facilities for local residents and children walking to Marksbury Primary School.

It is expected that the junction will be fully operational in November 2018

- Including match contributions the total cost of the project is £890,000
- The investment will deliver 14 FTE construction stage jobs
- Net permanent economic impacts amount to £8.6m GVA
- Net short-term economic impacts amount to £385k in GVA
- The scheme provides a 'very high' Benefit Cost Ratio of 11:1

Issues from the Review of the Business Case

<ul style="list-style-type: none"> <li>• The project aims to ease congestion and improve the functioning of the highway network by improving the current pinch point at the A39 Bences Garage junction with the A368 Marksbury Road</li> <li>• The project aligns with the Joint Local Transport Plan and B&amp;NES Core Strategy identified growth areas and would build on the recently completed Three Headed Man Junction on the A39 supported via the LGF.</li> <li>• The project seeks £700k of LGF funding towards the total scheme cost of £940k the match funding provided from the Integrated Transport Block.</li> <li>• Funds would be drawn down in 18/19 with construction commencing in August and scheme completion December 2018.</li> <li>• In addition to the direct transport benefits, the economic case forecasts 81 net FTE jobs, £8.6m net additional GVA uplift and 30 net additional dwellings.</li> <li>• Planning consent is not necessary but the scheme requires some land acquisition.</li> <li>• An outline programme has been provided but a more detailed construction phase programme is to be supplied in support of the Business Case when available.</li> <li>• The Monitoring and Evaluation Plan has been finalised.</li> </ul>	<p>Accountable Body Comments - As presented in the FBC, the scheme will provide open access public infrastructure when completed. The funding can therefore be issued free of Aid.</p>
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**Recommendation: Recommend the approval of the Full Business Case for A39 Bences Garage Junction Improvements scheme subject to land acquisition being undertaken, and the supply of a detailed programme.**

## Appendix 2b

### Grow-On2 Temporary Building Scheme

#### Executive Summary

Bristol and Bath Science Park (BBSP) is one of a number of national Science Parks which are designated for Science and Technology based Research and Development use.

Subsequent to, and in-part due to the success of BBSP first phase development there is a tangible demand for high quality, flexible, expansion office space. Such demand is augmented by the emerging need generated through the visibility of the National Composite Centre (located within the BBSP site); the University of Bath Institute for Advanced Automotive Propulsion Systems (IAAPS), proposed to locate within the BBSP site and the University of the West of England Enterprise Zone.

BBSP Grow-On 1 is currently operating to capacity; has limited ability to offer further space and is not best positioned to offer appropriate sector/industry support. This project proposes the addition of a temporary and additional Grow-On space (BBSP Grow-On 2).

Adjacent to the BBSP 1 building, Grow-On2 will provide a further 535m<sup>2</sup> of shared workspace to meet the current immediate demand from both within and outside BBSP.

The freehold sale of BBSP is currently on-going. Therefore, in addition to meeting the immediate business need, the project will help to prove the market failure case for construction of a permanent Grow-On 2 building once the sale process has reached its conclusion.

**Key Issues from the Review of the Business Case**

<ul style="list-style-type: none"> <li>• This project would see the creation of 535m<sup>2</sup> of temporary grow on space (via eighteen customised shipping container workhub units) to address the constraint at Grow-On 1 which is operating at capacity.</li> <li>• The full £1.004m capital cost is sought through the LGF. Drawdown would be expected in 18/19.</li> <li>• The economic case identifies the creation of between 48 and 73 jobs per year during occupation, and £65m total GVA (over the assumed 5 years of occupation).</li> <li>• The site has outline consent and it is considered there should be little risk in securing full consent assuming the scheme is developed in line with the outline approval.</li> <li>• Grow-On2 would be managed under the existing government arrangements for Grow-On 1.</li> <li>• The high level programme identifies contract award in August 18 and completion in December 2018.</li> <li>• Further project specification is required through the supply of a detailed design, cost plan and programme when RIBA stage 3 is reached.</li> <li>• The Monitoring and Evaluation Plan has been finalised.</li> </ul>	<p>Accountable Body Comments - Project coming forward as Local Infrastructures under GBER. To meet this definition a calculation regarding the difference between the eligible costs and projected profit needs to be completed before any offer is made, or the grant offer will need to include a clawback clause.</p>
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**Recommendation: A State Aid position has been established for the Grow-On2 Temporary Building which does not allow excess profit. On the basis that this is the agreed approach, to recommend that the Full Business Case is approved subject to the supply of a detailed design, cost plan and programme at RIBA stage 3, and securing planning consent.**

## Appendix 2c

### NUCLEATE – Nuclear Futures Open Innovation and Technology Centre

#### Executive Summary

- Helping to deliver the UK Government’s ambitions for nuclear in the **Industrial Strategy** - driving up productivity in the region and increasing the competitiveness of low-carbon nuclear energy.
- Capturing a **unique opportunity** – overcoming **market barriers** to ensure that current nuclear energy projects, worth up to £50bn to the region, catalyse the creation of an international centre for nuclear innovation.
- Led by the [University of Bristol](#) - part of its research, innovation and skills **strategy** and enabled by its recent investment in world class people, facilities and equipment.
- Supported by lead partner the [National Nuclear Laboratory](#) - **connecting to industry** and **leading nuclear innovation** for the UK.
- A Nuclear **innovation programme**, linked to the [South West Nuclear Hub](#), that will generate £20m GVA and 152 high level jobs in five years.
- £12m from the West of England LEP will deliver a **bespoke facility** for research, co-location and incubation of people and companies, at the strategic location of the **Bristol & Bath Science Park**, maximising participation by the regional innovation community in the global nuclear sector.

The University of Bristol with its lead partner the National Nuclear Laboratory, will create NUCLEATE – a nuclear ‘innovation factory’ that provides an environment where fundamental research can be combined with industrial experience and commercial innovation to create technologies, solutions and skilled people that are taken up by the global nuclear supply chain. NUCLEATE will act as the national centre for innovation in nuclear energy – creating new jobs, new wealth and ensuring that the region extracts maximum benefit from this burgeoning national renaissance.

NUCLEATE will deliver the innovation strand of the South West Nuclear Hub Nuclear Research and Teaching Strategy. Building on prior experience of developing industry-focussed research facilities, such as the National Composites Centre (NCC), the University of Bristol and its alliance of academic and industrial partners have the ambition, experience and support necessary to deliver the objective of NUCLEATE towards meeting the nuclear skills and innovation challenges that are well identified by the Government and industry.

Focussing on **Nuclear Asset Lifetime Management**, NUCLEATE will build on Bristol and NNL’s capability in:

- Advanced materials for nuclear applications
- Robotics and sensors
- Digital innovation.

NUCLEATE will consist of a **facility**, a **network** and a **funding** avenue. Together these will provide:

- Flexible research and co-location space for start-ups and SMEs to develop new techniques and technologies prior to their deployment at nuclear licensed sites,
- a route for non-nuclear companies to develop existing techniques and technologies to meet nuclear industry needs, and hence enter the global nuclear supply chain,
- a bridge overcoming existing industry barriers by giving innovators ‘air-time’ with the nuclear operators and technology suppliers.

The outcomes of NUCLEATE will be:

- growth in the volume and diversity of nuclear energy research being undertaken across the South West of the UK,
- Consolidation of world class expertise to meet the needs of nuclear programmes,
- Creation and growth of spin outs and SMEs,

- Introduction of established companies from outside the nuclear sector, offering innovative new technologies and techniques to the nuclear industry.

### Key Issues from the Review of the Business Case

<ul style="list-style-type: none"> <li>• The project would involve the construction of a 3,000m<sup>2</sup> facility sited at the Bristol &amp; Bath Science Park. The project will be led by the UoB with the National Nuclear Laboratory acting as the proposed lead partner.</li> <li>• £14m is sought from the LGF to cover the full construction costs, land costs and equipment relocation costs. Other costs relate to the existing value of University and NNL heat testing temperature equipment to be relocated (£3m) and £2m of from industrial partner equipment (as yet uncommitted) post completion. With £173k design costs in progressing to planning consent met by UoB the total cost is £19.1m,</li> <li>• LGF funding drawdown would span 18/19 (£2m), 19/20 (£7.7m) and 20/21 (£4.3m).</li> <li>• The economic case is robust, has been independently reviewed, and presents a range of direct and indirect economic and wider impacts.</li> <li>• The programme includes planning consent being secured by November 18, commencement of construction in August 19 and completion by the end of 2020.</li> <li>• The site has outline consent and there should be little risk in securing full planning consent assuming the scheme is developed in line with the outline approval. The project does not require a nuclear site licence.</li> <li>• The project is still at an early stage and as such there is limited design information provided although the overall application has provided a strong evidence base.</li> </ul>	<p>Accountable Body Comments - The State Aid case set out is assessed as appropriate and the grant offer letter will reflect the model being used.</p>
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**Recommendation: Based upon the funding request being beyond the Innovation thematic allocation, to seek an alternative proposal for the NUCLEATE - Nuclear Futures Open Innovation and Technology Centre project within an affordable envelope.**

## Appendix 2d

### Clevedon Cultural Quarter: Creative and Digital Business Hub

#### Description of Intervention

Curzon Cinema and Arts and Clevedon Chamber of Commerce have come together to seek LEP support to address market failure in the provision of serviced incubator workspace for the creative and digital sectors in Clevedon. The scheme forms an integral part of a plan to deliver a new cultural quarter in Clevedon and support the much needed economic regeneration of the Town Centre.

The proposal forms part of the implementation of the SEP's **Cultural Investment Programme 2015/2020** identified on Pg 21 of the SEP and Pg4 of the Sector Prospectus which references a Curzon Creative Media Incubator as a pipeline project.

The intention would be to integrate the services provided at the hub with those already serving the sectors in the West of England.

A potential hub building has been identified which could be refurbished to provide up to 76 workstations. Waverley House is a three storey office building of 963sqm adjoining the Curzon Cinema in Old Church Road, Clevedon. Formerly providing accommodation for the Primary Care Trust, it has been vacant since 2013. The property has been on the market for some time through Lambert Smith Hampton and has been subject to a Prior Approval Application for residential redevelopment which remains unimplemented.

#### Intervention

- The purchase and refurbishment of Waverley House as a small business/creative hub with meeting and community space forming part of the ground floor. Small business spaces on ground and second floors and hot desking suite on first floor.
- The establishment of a Community Interest Company (CIC) with its own Board who will take on the freehold of the building and manage and develop the creative business hub
- Recruitment of Hub Manager
- Recruitment of consultant support for initial six month hub start up period (this could be from an existing hub in the region)
- Extension of Boomsatsuma's emerging Media Production Diploma in partnership with Curzon Cinema & Arts.
- Marketing and promotion of new hub offered as a distinct brand with its own name and personality re range of tenant packages and other facilities and services available
- With the support of existing creative and digital businesses in North Somerset and all those who have already expressed an interest in the hub project, establish a virtual creative sector network prior to the opening of the hub building.
- Evolve wider partnership networking with key existing creative and business support bodies including UWE, Watershed, the Engine Shed, The Guild Hub, Spike Island, Weston Hub and Hamilton House, Set Squared and North Somerset Enterprise Agency.

#### Cost of elements to be funded

- Phase One - Work up Outline Proposal to Full Business Plan Submission including :

- complete full condition survey and refurbishment design scheme costings on Waverley House
- undertake more detailed market demand survey
- complete business plan
- set up Community Interest Company
- finalise partner roles in training /development and management
- project management

This is estimated to cost approx. £25k revenue provided by the Project Board and NSC together with LEP pump priming capital of £50k primarily to fund a full mechanical and structural condition survey and related works specifications.

- Phase Two (on agreement to a Full Business Case and 3 year business plan)
  - Finalise CIC Board and Governance arrangements
  - Purchase, refurbish and equip Waverley House or other suitable centrally located building in Clevedon town centre including obtaining any necessary building regulation and other approvals.
  - Appoint Hub manager
  - Finalise partner services and activities in training/development and management
  - Start up, marketing and operating costs

**Key Issues for the Development of a Full Business Case from the Review of the Outline Business Case**

<ul style="list-style-type: none"> <li>• The project involves the acquisition and refit of Waverley House a three storey building of 963m<sup>2</sup> which adjoins the Curzon Cinema and which has been vacant since 2013.</li> <li>• The project would provide a small business/creative hub with meeting and community space forming part of the ground floor. This would facilitate the establishment of a virtual creative sector network and evolve wider partnership networking with key existing creative and business support bodies.</li> <li>• The project seeks £1.3m of funding towards the £1.323m capital purchase and refurbishment costs. £50k of the £1.3m is sought up front to enable a Full Business Case to be developed.</li> <li>• Based upon a Full Business Case decision in June 18, the programme indicates purchase could occur that month, with the refurbishment complete in September 18 and formal opening in June 19. Funding drawdown would be in 18/19.</li> <li>• It is forecast that the project will create 118 direct jobs (gross jobs 170) by year 5 of operation. The economic case would need to be developed further in a FBC.</li> <li>• The FBC would need to provide detailed project costs, further clarification of costs and revenues for operation, a detailed programme and design, and a specific risk</li> </ul>	<p>Accountable Body Comments - The OBC sets out that the project would operate on the flow through model. This seems relevant and appropriate; any future grant offer terms would follow with regards to monitoring income and returning any residual asset value to the state at the end of the operation. The applicant may also want to consider whether the intervention could be assessed as having a purely local impact (not meeting test 4 of the Aid tests). If this can be established, which seems a reasonable assumption given recent EU judgements, then no additional clauses would be needed in the offer letter and the intervention could operate in any manner, including for profit.</p>
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<p>assessment that focuses on the site acquisition, works and operation.</p>	
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**Recommendation: To recommend that the Clevedon Cultural Quarter: Creative and Digital Business Hub is added to the LGF pipeline should further funding become available and when fit with the proposed Cultural Strategy for the region can be established.**

## Appendix 3 Bath Riverside Enterprise Zone Team

### Executive Summary

Bath & North East Somerset Council (B&NES) is committed to delivering its long-term economic and wellbeing aspirations for Bath, in accordance with the West of England LEP and B&NES Core Strategies. Of paramount importance to meeting these targets will be the successful development of the Bath Riverside Enterprise Area, which as of April 2016 was granted full Enterprise Zone (EZ) fiscal status. The Zone includes 98Ha of public and private land which follows the line of the river through the city, and has been recognised as a key area for economic growth. Significant investment has, and will continue to be committed to the Zone by the LEP, Public Bodies partners and private sector to help the City realise its growth ambitions.

The Masterplan Vision for the Riverside EZ has shown the potential to accommodate up to 9,000 new jobs, 100,000sq m of new commercial space, as well as 3,400 new homes and public realm and infrastructure improvements. The LEP’s Strategic Economic Plan identifies the need to create the right *type* of place and conditions for business and future development to thrive, as a pre-requisite for economic growth. A key output of the Zone will be the generation and enhancement of business rates to contribute to the West of England EDF pool. From this pool WoE Combined Authorities are able to draw on the EDF to further finance development across the region - an effective mechanism to deliver long-term sustainable growth. B&NES’ flagship project Bath Quays alone has the potential to deliver some £2.0-3.8m in business rates annually, with up to £91m across the EZ as a whole. To fully achieve Bath’s growth potential however, unlocking and readying key strategic sites will be pivotal to reinforce Bath’s reputation as a viable business and investment destination.

To ensure successful establishment of Bath’s EZ and timely realisation of strategic outputs, B&NES is seeking £685,000 of EDF funding from the LEP, as part of its £50m allocation at Enterprise Quarter Programme Entry. The bid proposal is for 3 years of revenue funding between FY 2018/19-20/21 to support the EZ Team. The team will cost £592,000 per annum to run, of which a £155,883 annual EDF contribution is sought to contribute towards staffing costs (£467,650 total over 3 years). Specifically, funding will support 6 core team members, and

facilitate dedicated Marketing & Comms and Commercial Officer roles. It will be the duty of the team to bring publicly owned sites forward in accordance with relevant policy, and influence private development by creating strong public and private sector partnerships and setting a development precedent across the EZ. In addition, £217,350 is requested for materials to ensure the Zone is appropriately promoted and marketed towards prospective occupiers and investors. It is proposed this element of funding is drawn-down in 3 equal instalments (£72,450) at each funding year against defined milestones.

The allocation of proposed revenue funds will provide additional and dedicated capacity to the early phases of Bath's EZ to ensure key scheme outputs – namely jobs, new quality commercial space and business rates – are facilitated as part of Council commits. The bid supports actions to promote and work with other landowners on EZ sites not subject to capital funding bids associated with Council owned land, but sites which are crucial to achieving programme level outputs within the development forecast. Activities of the EZ Team will be crucial in unlocking the regeneration sites necessary to drive the scale of economic growth strategically sought, and maximise impact of funds committed.

### Key Issues from the Review of the Business Case

<ul style="list-style-type: none"> <li>• The FBC seeks revenue funding to support the creation of a dedicated team to promote and bring forward strategic employment sites within the EZ.</li> <li>• The funding sought is £685,000 over 3 years which is made up of £467,650 staffing costs and £217,350 for marketing and promotion. This is matched by £1.308m from B&amp;NES.</li> <li>• The proposed drawdown is in 3 equal instalments over 18/19-20/21.</li> <li>• The project has strong strategic links with both the LEP and the Council's economic strategies and the successful development of the EZ will be critical in ensuring that the area performs to its full potential.</li> <li>• The economic case sets out the impacts associated with the delivery of the Enterprise Zone. Whilst the additionality through the team is referred to qualitatively this is not quantified. B&amp;NES are undertaking further assessment which should provide more site specific detail.</li> <li>• To confirm the additionality, a breakdown of staff resources is to be provided to identify time that each post is expected to dedicate to the EZ team and the projects within the programme. There should be very clear lines of demarcation between roles such that if a member of the EZ team is also directly working on a project within the EZ the time allocation between different activities can be clearly defined to avoid any possibility of double counting.</li> <li>• The FBC includes a set of high level milestones primarily for Bath Quays infrastructure. A programme of milestones comprising the core works of the EZ team will be required to form the baseline of activities for highlight reporting and monitoring.</li> </ul>	<p>Accountable Body Comments - As presented in the FBC, the activity described is non-economic in nature and therefore the second test for State Aid is not met – no economic undertaking is advantaged through this grant.</p>
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**Recommendation: Subject to endorsement by the Business Rate Pooling Board, to recommend the approval of the Full Business Case for the Bath Riverside Enterprise Zone Team subject to the confirmation of the specific outputs/outcomes of the team and supply of key milestones. A detailed resource plan to be provided including roles and allocations of time to the Team.**

## Appendix 4

### Project Forecast Outputs and Progress to Date

<b>(Growth Deal) Local Growth Fund</b>			
	Complete (Other Fully Approved) Schemes	Job Creation	Match Funding
Target (including MetroBus*)		9,000	£200m
Identified by approved schemes to date**		7,400	£248m
Achieved to date	9 (18)	600	£78m

Notes:

\* MetroBus funding formed part of the Growth Deal but was not included in the LGF.

\*\*Totals only relate to approved schemes and it is anticipated that the full programme will achieve the overall targets for jobs and match funding.

<b>Economic Development Fund</b>			
	Complete (Other Fully Approved) Schemes	Jobs Created (Enabled)	Match Funding
Identified by approved schemes to date		7,100 (+5,300)	£29m
Achieved to date	3 (8)	500 (+1,100)	£26m

<b>Revolving Infrastructure Fund</b>		
	Complete (Other Fully Approved) Schemes	Job Output
Forecast		5,100
Achieved to date	7 (5)	1,500

	Allocated	Claimed	Repaid
Funding	£51.2m	£31.2m	£3.1m