

Local Government and Communities Committee

City Region Deals

Submission from the West of England Combined Authority

Local Government and Communities Committee Inquiry – City Region Deals

The Bristol City Region Growth Deal covers the four unitary authorities of Bath and North East Somerset; Bristol; North Somerset; and South Gloucestershire, making up the West of England. Our responses to your questions are as follows:

How is the Governance of your local City Deal structured?

A key element of the Bristol City Region Deal was the Growth Incentive which enabled the West of England authorities to retain 100% of the growth in business rates raised in the city region's network of Enterprise Areas (EAs), over a 25 year period. This income is being used to create an Economic Development Fund (EDF) for the West of England worth £500 million over 25 years. Overseen by the Local Enterprise Partnership this will deliver an infrastructure investment programme designed to maximise economic returns in all the Enterprise Areas including the Temple Quarter Enterprise Zone (EZ).

The creation of the EDF has led to the establishment of the 'One Front Door' approach to managing a number of funding streams which has been overseen by an Investment Board with the LEP Board providing business input and scheme approvals formally granted by the Strategic Leaders Board (SLB). Bath & North East Somerset Council has acted as the nominated Accountable Body for the West of England Local Enterprise Partnership and is responsible for managing the funding streams.

The role of the Investment Board is to:

- Act on information provided by scheme promoters and technical advice, and recommend a programme (the 'Programme Entry' schemes) for approval by the LEP Board/SLB.
- The Investment Board will generally make recommendations on schemes funded by the EDF, Local Growth Fund (LGF) and new schemes through the Revolving Infrastructure Fund (RIF). Future West of England funding sources will be channelled through the Investment Board in-line with the 'One Front Door' process.
- Make individual investment decisions for schemes with 'Programme Entry' awarded

by the LEP Board/SLB based upon business cases and technical advice.

- Produce highlight and exception reports for the LEP Board and SLB.
- Confirm release of funds by the accountable body.
- Monitor the progress of individual schemes managed by individual Project and Programme Boards.
- 'Horizon scanning' and awareness and identification of other Government funding streams.

Further details of the Investment Board are set out in the Terms of Reference which can be found online:

<http://www.westofenglandlep.co.uk/assets/files/Funding/Investment%20Board%20ToR.pdf>

Further details of the Strategic Leaders Board is set out in the constitution and Terms of Reference which can be found online:

<http://www.westofenglandlep.co.uk/assets/files/Strategic%20Leaders%20board/SLB%20Constitution%20agreed%20July%202014.pdf>

The process is supported by a Business Rate Pooling Board comprising the Chief Finance officers of the four Councils and the LEP who oversee the pooling of the retained business rates underpinned by a legal agreement.

Other aspects of the City Deal, such as the creation of the Invest Bristol and Bath inward investment service (see below), have been embraced within wider governance processes.

It should be noted that governance arrangements are currently being updated alongside the creation of the West of England Combined Authority and this will include changes to the Investment Board and the creation of a West of England Joint Committee (replacing the Strategic Leaders Board).

How are City Deal Projects prioritised and managed, and who is held accountable for the outcome of projects?

Projects are assessed based on their strategic fit and contribution to economic growth, and having a sound business case that fits with the West of England Assurance Framework:

<http://www.westofenglandlep.co.uk/assets/files/Funding/WoE%20LEP%20Assurance%20Framework%20Feb17.pdf>

A two stage Outline and Full Business Case approach is adopted the latter aligning with the Treasury Green Book five cases. Details are provided in the assurance framework.

How are City Deal Projects evaluated?

EDF schemes approved via the one front door process and are all individually evaluated. Scheme business cases are required to include a monitoring and evaluation plan which is reviewed as part of then business case approval process. High level impacts including job creation at the EZ and EAs, and business rates pooled to date are collected on a six monthly basis and reported back to BEIS.

How are local residents and business involved in and kept informed of City Deal Projects and activities?

The 'One Front Door' approach to managing funds aims to establish a consistent and transparent approach that oversees the EDF and the wider funding programme. All funding decisions are made formally in public and are also considered by the West of England Scrutiny Committee.

Details of schemes are all made publicly available via the LEP website:

<http://www.westofenglandlep.co.uk/funding/funding-programme/edf-schemes>

Details of the range of means by which engagement takes place and transparency is ensured are provided within the LEP assurance framework:

<http://www.westofenglandlep.co.uk/assets/files/Funding/WoE%20LEP%20Assurance%20Framework%20Feb17.pdf>

How does City Deal funding interact with Growth Deal and Devolution Deal funding?

The consistent approach and processes through the 'One Front Door' allows us to blend funding schemes to maximise funding opportunities. For instance Aztec West roundabout utilises funding of £4.5m which is made up from the LGF, the EDF and the RIF. The project was considered critical because Aztec West Roundabout is a major highway junction serving significant employment land at Aztec West Business Park. It also acts as a gateway to South Gloucestershire's North Fringe including the Filton Enterprise Area and Cribbs Patchway New Neighbourhood, and provides access to the strategic highway network at M5 Junction 16.

Could projects delivered through City Deal funding been delivered through other means?

The EDF is additional funding to the area which wouldn't normally be available. This has allowed new schemes to be delivered, proposals to be upscaled, or to be brought forward much earlier than they ordinarily would have occurred.

Have City Deals (as opposed to Growth Deals and Devolution Deals) helped to encourage a shift towards local decision –making on major infrastructure projects in your region?

The pooling of business rates and the establishment of the EDF was a driver for the creation of the 'One Front Door' process and associated strengthening of joint governance. This has acted as a catalyst in further joint working and has been a building block for the recently established West of England Combined Authority.

Anything else you would like to share about City Deals, Growth Deals and Devolution Deals

The City Deal led to the creation of a City Growth Hub which provided an enhanced inward investment service, pooling expertise and capacity across the West of England and providing additional support for inward investors to help grow their businesses and find the right skills locally to match their needs. UKTI have worked closely with the inward investment service to enhance the capability of the West of England to attract investment and boost trade.

Since the completion of the pilot the City Growth Hub, now called Invest Bristol & Bath, has secured funding for another a further 5 years.