

WEST OF ENGLAND GROWTH DEAL

The West of England Growth Deal aims to accelerate the growth of high-tech industries, create transport solutions that link communities to employment opportunities and reduce congestion, and provide people with the skills that business need to succeed. The West of England Local Enterprise Partnership (LEP) will get greater influence and freedom to help speed up transport, housing and energy projects and the ability to provide locally tailored skills provision and advice, and guidance to businesses.

The Growth Deal, subject to a satisfactory conclusion of the funding agreement, will bring together local, national and private funding as well as new freedoms and flexibilities to focus on five key priority areas as identified in the LEP's Strategic Economic Plan:

- Supporting innovation to boost growth
- Enhancing the local rail network and developing sustainable transport solutions
- Providing a skills and employment offer that supports the area's priority sectors
- Giving businesses the advice and support they need to grow
- Accelerating the development of employment and priority growth locations

The West of England LEP has secured **£213m from the Government's Local Growth Fund to support economic growth in the area - £86.2m will fund new projects due to start in 2015/16.** This is on-top of £126.4 previously committed for the MetroBus and MetroWest programmes.

This substantial investment from Government will **bring forward at least £180m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £393m for the West of England LEP.**

By 2021, this Deal will create at least 5,000 jobs.

The West of England LEP brings together the business community and local authorities across Bristol, Bath and North East Somerset, South Gloucestershire and North Somerset, as well as the Higher Education and Further Education sectors.

Summary of the West of England Growth Deal projects and funding

This Growth Deal brings together different funding streams designed to support local growth, and with a share of the new Local Growth Fund, gives local partners the backing to focus on local priorities.

West of England LEP Local Growth Fund breakdown (£m)			
	2015/16	2016 onwards	Total
Local Growth Fund award	16.6	61.1	77.7
Previously committed funding	62.4	64	126.4
Provisional allocation to projects starting in 2016/17 and beyond	-	8.5	8.5
Total	79	133.6	212.6

These totals exclude match funding for European Social Fund (ESF) skills activities. The total amount of ESF skills activity LEPs have planned in their draft strategies over the 7 year programme is currently just over 1 billion Euros. Actual skills ESF match will be used on the basis of the skills activity which is delivered at LEP level according to their final strategies.

The West of England and Central Government have agreed to co-invest in the following jointly-agreed priorities:

- **Terabit West** – a broadband infrastructure research and development test bed which will increase the speed and capacity of the network.
- **Bristol Robotics Institute of Technology** – start-up and grow-on space to facilitate industry and academic collaboration in robotics and autonomous systems, bio-sensing and biotechnology, biomedical and other related fields.
- **Innovation in Composites for Marine Energy** – provision of a new test blade facility to provide development testing and accreditation for new tidal blade models and dynamic testing capability.
- **Composite Bridge Construction** – the application of new technology to develop an advanced composite footbridge design solution that could be efficiently and economically used in a variety of locations.
- **MetroWest Phases 1 and 2** – delivering half hourly cross Bristol rail services, including reopening the Portishead and Henbury rail lines. Funding for MetroWest phase 1 comes mainly from the pre-committed LTB allocation supplemented by an LGF pipeline allocation.
- **Sustainable Transport Programme** – transport capital measures to make it easier to walk, cycle, and travel by public transport.
- **FE capital build programme** – investment to create new and improved space to deliver skills.

Local flexibility over Growth Deal programme: The Government recognises the significant steps that the West of England LEP have taken to deliver a successful and achievable Local Growth Deal and that the programme agreed in this Growth Deal represents a step up in the ambition of, and therefore expectations on, the LEP. The Cities & Local Growth Unit will therefore be working closely with the LEP on any amendments to the Deal and supporting local partners to resolve any emerging issues. It is expected that through future Growth Deals the West of England LEP will achieve increased autonomy. Government will disburse funds to the LEP quarterly in advance; however the LEP will need to agree any changes to projects with Government before doing so.

The Growth Deal does not amount to an endorsement of everything in the submitted SEP. All development decisions for specific proposals must go through the normal planning process and be guided by local plans taking into account all material considerations.

The West of England Growth Deal

The investment secured by the deal will be focused on 5 key areas to deliver transformative growth:

Supporting innovation to boost growth

The West of England is set to become a world leader in the development of a number of emerging technologies and applications. Together Government and the West of England will invest over £12m to support new research and development projects. Government will support the West of England to explore new ways to produce energy, manage energy consumption and provide ultra-fast broadband.

West of England LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • The West of England LEP will invest £5.2m in innovation projects, including Terabit West, Bristol Robotics Laboratory, Innovation in Composites for Marine Energy and Composite Bridge Construction. • The West of England LEP will steer delivery of the Robotics and Autonomous Systems University Enterprise Zone within the context of the Strategic Economic Plan, as agreed with BIS as part of enhancing Higher Education and business interaction in the area. 	<ul style="list-style-type: none"> • Government will invest £22.5m (£7.6m in 2015/16) to support innovation projects, including: Terabit West, Bristol Robotics Laboratory, Innovation in Composites for Marine Energy, and Composite Bridge Construction. • Government will provide £4m contribution to support delivery of the University Enterprise Zone at the University of the West of England. • The Highways Agency will continue to engage with West of England Local Enterprise Partnership to explore opportunities for using spare capacity, where this exists, in the National Roads Telecommunications Service fibre network to enable high speed broadband connectivity within and between the Temple Quarter Enterprise Zone and the 5 West of England Enterprise Areas.
<ul style="list-style-type: none"> • The West of England LEP proposes to establish a public sector Special Purpose Vehicle to facilitate and de-risk the deployment of a tidal energy generating structure within the Bristol Channel. The Government recognises the potential benefits of creating such a vehicle. It acknowledges that currently the region around the Bristol Channel has a cluster of world leading professional, engineering and manufacturing businesses. The Government recognises that to maintain this leading edge then bodies such as the Crown Estate and the Marine Management Organisation are key in terms of successful deployment of technology in the water to deliver the aspirations of West of England. • The West of England LEP proposes to create a co-ordinated framework of Energy Company(ies) across Core City LEP partners, obtaining one or more supply and independent distribution licences. Government supports this move. This will then enable the West of England to make best use of the Core Cities combined purchasing power to create ‘next generation’ energy solutions, support low carbon enterprise zones, reduce pressures on social health and care budgets, provide choice to consumers, assist in deployment of local generation and provide resilience to cities and economies at the UK level. 	

Providing a skills and employment offer that supports the area's priority sectors

The West of England's economic success is based largely on its highly skilled workforce. To remain successful the Growth Deal has secured £32m to invest in a number of important skills capital projects, including building the Future Technology Centre at Weston College, the Advanced Engineering Centre Extension at Bristol College and the Advanced Construction Centre in South Bristol. Together these centres will mean new learning opportunities for people across the West of England and will ensure industry has the skills it needs.

Improving skills levels is a key factor in stimulating local growth and taking advantage of new economic opportunities. Government is committed to ensuring that adult skills provision is increasingly responsive to the needs of business and supports local economic growth and jobs.

Local Enterprise Partnerships are well positioned to enhance the current Careers Information, Advice and Guidance offer by influencing the shape of provision so that it meets the needs of the local economy. Moreover, they have the ability to link employers with education providers, can have strategic influence over skills supply and have the ability to coordinate local services towards a shared goal.

West of England LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • The West of England LEP will invest £64m in a package of capital works to extend and improve the facilities at key further education establishments in West of England, including: <ul style="list-style-type: none"> ○ Providing a Future Technology Centre at Weston College; ○ Extending the Advanced Engineering Centre at Bristol College; ○ Extending the Advanced Construction Centre in South Bristol; ○ Refurbishing and modernising Automotive workshops at Norton Radstock College; ○ Creating a new Business Enterprise Training Centre at Norton Radstock College; ○ Providing a new Construction Centre for Bath and North East Somerset; ○ Creating a new West of England Law and Professional Services Academy at the Weston. • The West of England LEP will consider skills implications as part of decision taking on growth strategies. 	<ul style="list-style-type: none"> • Government will invest £32m in a package of capital works to extend and improve the facilities at key further education establishments in the West of England. • Government has granted Weston College joint FE/HE status. • Government commits to continuing to engage with the West of England, Heart of the South West and Gloucestershire LEPs on the Nuclear Strategy via the Hinkley Strategic Development Forum. This will include agreement on the right Governance, strategy and delivery models for the agreed priorities. The vision underpinning this work will add value to the interventions that are already in train through the Hinkley Deal. • Government, through the Skills Funding Agency, will support the process to ensure that provision meets local priorities and that increasing responsiveness is delivered through a three-pronged approach: <ul style="list-style-type: none"> ○ Procurement of new provision: LEPs will be involved throughout the process and providers' track records against LEP requirements will be considered as part of this assessment ○ Accountability: Providers will be required

<ul style="list-style-type: none"> • The West of England LEP will clearly articulate and evidence their skills priorities in the light of strategic national and local growth opportunities and communicate them to the FE and skills sector. • The West of England LEP will positively engage the FE and skills sector in key strategic partnerships e.g. Skills and Employment Boards. • The West of England LEP will recognise where the private sector has a responsibility to invest in skills provision, and work with business and the skills system to realise that investment. • The West of England LEP will facilitate stronger linkage between education providers and local businesses. We will also work with relevant local stakeholders to communicate our priorities and align our offer to the National Careers Service providers ahead of the new service's roll-out in October 2014 in order to augment the service. 	<p>through their funding agreements with the Agency to explain to LEPs details of their provision and planning and we are testing ways in which they can be most effectively held to account for being responsive to local economic priorities. The Skills Funding Agency is trialling Skills Incentives Pilots from 2014/15 in Stoke and Staffordshire, the North East and West of England, designed to explore the mechanisms through which providers will account to LEPs for delivery.</p> <ul style="list-style-type: none"> ○ Allocations and Intervention: In future years, providers' records in delivering to LEP requirements will be taken into account when setting allocations and triggering interventions. From 2015/16 the Skills Funding Agency will take into account the outcomes of the Skills Incentive Pilots in Stoke and Staffordshire, the North East and West of England, in making allocations to those providers in scope; subject to evaluation of the pilots, these mechanisms will be rolled out to other LEPs in future years. • Government will set out revised information for LEPs on how they can take advantage of this approach and options for seeking advice if provision is not responsive to their needs. The Skills Funding Agency will publish information during summer 2014 on how LEPs can influence the use of all skills budgets in their localities, and the steps they can take if they are dissatisfied with the pattern of delivery. • Government will seek to improve the provision of skills data for LEPs and will develop and publish new reports that will quantify and assess responsiveness to local skills needs. In the summer of 2014 the Skills Funding Agency will provide all LEPs with a data set that updates them on the provision delivered in their areas. • Government commits to working with West of England LEP to help ensure that local employer priorities are fed into the operations of the new National Careers Service
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	providers in the West of England.
<ul style="list-style-type: none"> • The Government expects West of England LEP to open up new jobs created by projects funded from the Local Growth Fund to local unemployed and long-term unemployed people working closely with local and national back-to-work initiatives. This would be part of a wider expectation that local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value. • This Government remains committed to helping all young people to achieve their potential and specifically to reduce long-term youth unemployment. As part of this commitment the Deputy Prime Minister launched the Youth Contract for Cities in November 2013 providing local areas with devolved funding to boost employment opportunities for young people. As part of this, the West of England was awarded £1.4m from the Government to develop its youth employment programme, including through a new work experience and work placement scheme. Alongside this Growth Deal, the Government expects the West of England to deliver against its commitments towards youth employment. 	

Enhancing the local rail network and developing sustainable transport solutions

Tackling congestion and ensuring the West of England has a highly efficient transport network are essential for the area to attract new investors and remain a globally competitive region. This is why Government has given a long-term commitment to support MetroWest Phases 1 and 2, which opens up rail connections to Portishead and North Bristol, and is providing an additional £20m to upgrade the transport network over the next 6 years.

West of England LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • The West of England LEP will invest £23.2m in MetroWest and sustainable transport. • The West of England LEP will take the lead in working with First Great Western and co-operating with the Department for Transport to identify ways in which rolling stock solutions for the additional train services envisaged in the MetroWest scheme might be procured and brought into service. • The West of England LEP and partners agree that the LEP will take a more proactive role in consultation on long-term rail planning and franchise specification; and provide a co-ordinating role between constituent local authorities. • The West of England LEP and partners agree that the LEP will take a more proactive role in consultation on long-term strategic road network planning and provide a co-ordinating role between constituent local authorities. 	<ul style="list-style-type: none"> • Government will invest £3.2m to support the early development phase of MetroWest Phase 2. • Government will invest £20m (£3m in 2015/16) in a package of sustainable transport schemes. • Government will provide a provisional allocation of £8.5m for MetroWest Phase 1 from 2016/17 onwards to add to the £44.9m LTB pre-allocated funding for this project. • The Department for Transport commits to working with the West of England LEP and partners to investigate ways in which the value of investments made in the MetroWest scheme can be secured against change of train operator, including as a result of the Department's Franchising Programme. The Department has included obligations on the current operator, First Great Western, to work specifically in the development of Phase 1 of MetroWest (including acting reasonably and in good faith in the proposal for operation of

- Progress on the development and delivery of the priority transport schemes identified by the West of England Local Transport Body that are fundable within pre-allocated Local Growth Fund resources.

passenger services) and also more generally in relation to locally-promoted rail enhancement schemes. The Department, therefore, also commits to working with the West of England LEP to develop the existing franchise obligations in respect of any second direct award franchise agreement which might be negotiated with First Great Western to succeed the current franchise agreement in September 2015 and in respect of any subsequent franchise competition.

- The Department for Transport and Network Rail commits to more proactive engagement of the Local Enterprise Partnership in the long-term rail planning process (e.g. Route Studies) and in rail franchise specification through targeted local engagement of the Local Enterprise Partnership as part of an enhanced consultation process. The Department for Transport also commits to encourage bidders for franchises to identify and take into account the priorities of Local Enterprise Partnerships and other key local stakeholders as part of the franchising process, and will also encourage Train Operating Companies to continue with, and enhance where possible, their engagement with LEPs as key local stakeholders.
- The Highways Agency commits to developing a more proactive and collaborative approach to promoting national and local growth and commits to continue building strong relationships and working arrangements with Local Enterprise Partnerships and the Local Enterprise Partnership Network, in the same way as with Local and Combined Authorities and the Local Government Association. Through its Route Strategies, the Highways Agency will engage the Local Enterprise Partnership in better understanding the challenges and opportunities associated with the network and to develop evidence based long-term plans to bring about much needed local economic growth and development, and commits to providing each Local Enterprise Partnership with a named contact, generally the relevant regional director. The Highways Agency commits to forming a Growth and Economic Development Group to support Local Enterprise Partnerships at a national and sub-national

	level, and a draft licence published on 23 rd June 2014 for the new Highway Agency company includes a requirement to co-operate, which will underpin the arrangements described above.
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Giving businesses the advice and support they need to grow

The West of England LEP is committed to identify businesses with high growth potential, supporting them and helping them export. To support the LEP develop a streamlined and coordinated approach to business support, Government will provide £400k in 2015/16 to help establish a West of England Growth Hub.

West of England LEP commitments	Central Government commitments
<ul style="list-style-type: none"> • The West of England LEP will secure £800k of private funding in 2015/16 to support the delivery of the local growth hub. • The West of England LEP will provide a clear model for coordinating and simplifying business support so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time. • The West of England and Bristol City Council will commit to boosting SME voucher take-up as part of the Super-Connected Cities Programme. • The West of England LEP will support the extension of superfast broadband coverage to 90% of UK premises by 2016, via existing broadband projects, the West of England LEP will commit to work with local partners and BT to support delivery. To support extension of superfast broadband coverage to 95% of UK premises by 2017, the West of England LEP will also work with local partners to help ensure match funding is in place for the next round of projects. 	<ul style="list-style-type: none"> • Government will provide £400k revenue funding to the LEP for growth hub business support coordination in 2015/16, subject to the growth hub meeting minimum conditions that reflect the position agreed by the Government review on business support and services • UK Trade & Investment (UKTI) will commit to effectively communicating its strategic priorities to LEPs and where possible help them access relevant opportunities. UKTI has doubled the number of Partnership Managers to 16. This will ensure that UKTI can work more closely with LEPs and help build their capability to secure more inward investment. • The Technology Strategy Board recognises the important and valuable role that LEPs are playing in promoting and supporting innovation, and is committed to developing strong and effective relationships with LEPs both individually and collectively to build on this. The Technology Strategy Board is committed to supporting LEPs in developing the emerging Growth Hubs and in exploring how LEPs can help drive up local business awareness and engagement in Technology Strategy Board programmes and initiatives.

Accelerating the development of employment and priority growth locations

The Deal will create a stronger partnership between Government and local partners in order to accelerate the development of the Enterprise Zone and to ensure housing is provided at priority locations and generally across the region to meet local needs.

West of England LEP commitments	Central Government commitments
<ul style="list-style-type: none"> The West of England LEP and local planning authorities will continue joint working to deliver the housing provided for in Local Plans. 	<ul style="list-style-type: none"> The Homes & Communities Agency (HCA) will prioritise resources around delivery of its sites in the Temple Quarter Enterprise Zone (EZ), and work with the LEP to expedite their disposal and redevelopment in line with the Strategic Economic Plan, EZ and HCA's objectives/targets. Within the same framework, the HCA will also work with the LEP to support the delivery of other priority growth locations including the 5 Enterprise Areas, South Bristol and Weston Town Centre. English Heritage will work with the LEP to explore potential alternative design solutions for the proposed Temple Meads development that give appropriate protection to its historic features whilst enabling a sensitive redevelopment which brings economic benefits and enables visitors to enjoy the building and appreciate its history. The Homes & Communities Agency will work with the West of England LEP, through joint investment planning, to align priorities and programmes as far as possible. The Homes & Communities Agency will work with the LEP to explore proposals to establish a joint 'site accelerator' team with the West of England LEP/local authorities, subject to clarification on respective levels of resource, governance and agreement of a forward programme. The purpose of the joint team will be to speed up the delivery of planned housing and employment sites, through the analysis of key site problems, delays and issues, and subsequent identification and delivery of solutions to get site delivery moving again.

As part of the deal, the LEP will:

- Strengthen governance** by ensuring appropriate governance structures, and increasing collaboration and joint work between the Unitary councils.
- Ensure good value for money where local flexibility exists**, by developing robust processes that will guide local decision-making.

- **Ensure implementation and demonstrate success**, by tracking progress against milestone and agreed core metrics and outcomes in line with a monitoring and evaluation framework.
- **Communicate the ongoing outputs and outcomes of the deal to the local communities and stakeholders** by publishing the Growth Deal and reporting regularly, and publically, on their progress to implement the strategy.

Funding for projects starting in 2016/17 will be subject to conditions that Government will discuss with the LEP over the next few weeks and months, along with establishing the best timetable for the project, taking into account practicalities and affordability.

The Government commits to opening discussions with the LEP right away on its priorities for the next round of Growth Deals.