

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 12 March 2020

CONTACT OFFICER: Josie Wragg, Chief Executive, Slough Borough Council and lead officer to the BLTB

PART I

Item 9: BERKSHIRE LOCAL INDUSTRIAL STRATEGY (BLIS) FORWARD PLANNING

Purpose of Report

1. To note that the LEP Board and Berkshire Leaders Group have previously approved £750,000 of BRRP monies to be used as part of a forward plan project to support implementation of the Berkshire Local Industrial Strategy.
2. To receive an update on the proposed next steps of the forward planning activity.

Background

3. It has been previously agreed by the Berkshire Leaders Group to invest £750,000 of BRRP money in the development of outline business cases (OBCs) for projects to deliver the BLIS. This was agreed locally on 24 October 2019.
4. The BLIS has identified six overarching priorities
 - Enhancing productivity within Berkshire's enterprises
 - Supporting ecosystems which are maturing and evolving, and which extend beyond Berkshire
 - Building vibrant places and a supportive infrastructure
 - Making Berkshire an inclusive area where aspirations can be realised
 - Ensuring that economic growth contributes positively to Berkshire's environmental performance, recognising the need to respond to the climate crisis.
5. The purpose of the BRRP investment is to add forward planning capacity by way of writing OBCs to support grant funding applications or other investment bids in support these priorities, and in particular, one or more of the 22 "we will" statements in the BLIS.
6. The forward planning funds made available from the BRRP are not the only means of implementing the BLIS. Activities that are classified as a low priority call on these funds are not automatically a low priority within the BLIS. For instance, implementing the Western Rail Access to Heathrow scheme has been given a low priority for further expenditure of these funds, but remains a very high overall priority for the BLIS and the LEP.

Activity

7. On 6 December and 21 January, TVB LEP met with six local authority officers to begin the process of identifying the projects which might benefit from investment in the preparation of an OBC. The draft proposal has since been discussed by management teams at each of the 6 Berkshire Unitary Authorities,

the LEP Board, the Berkshire Chief Executives' Group, the Berkshire Leaders' Group and the three LEP Programme Groups (Transport; Skills, Education and Employment; Business Environment).

8. These meetings have all endorsed the principle that the chosen projects would have one or more of the following characteristics:
 - cross-boundary reach (both cross-LA and/or cross-LEP);
 - proposing large-scale governmental or other investment into the economy;
 - a strong carbon-reduction component;
 - promotion of inclusive economic growth
9. These meetings also endorsed the principles that BRRP money should NOT be used:
 - to fund "business as usual" and so subsidise normal operations in the LEP or any of the partner organisations.
 - to undertake horizon scanning or option generation or similar exercises.
10. Once the list of OBCs to be prepared has been agreed, the officer group will turn its thoughts to preparing briefs setting out the scope of each OBC, partnership arrangements including financial contributions, commissioning and governance. Included in the analysis of the proposed high priority projects is a recommendation for a commissioning partner and the appropriate governance reporting line.
11. The commissioning solution chosen will depend on the nature of each project under consideration and we agreed to keep all options, (such as procurement, consultancy or direct employment) open. The officer group also proposed that an element of the fund be top-sliced to provide additional programme management resource within the LEP to manage and report progress on the individual projects.

Next steps and timetable

12. The LEP Board on 11 February 2020, and the Berkshire Chief Executives' Group on 20 February 2020 agreed a final list of nine priorities which was recommended to, and agreed by, the Berkshire Leaders Group on 2 March 2020.
13. The Berkshire Chief Executives' Group has identified Project R12 Place: Berkshire Place Making Board as a topic it will take a lead on developing. It will act as the shadow Place Making Board coordinating with the work of the One Public Estate Project Board to bring forward coordinated plans.
14. The officer group met on Friday 6 March 2020 and has begun detailed work on preparing briefs for the commissioning of OBCs, the partnership arrangements and potential financial contributions, as well as setting out the governance arrangements.
15. The main aim of the governance process will be to ensure that funds are only invested in the preparation of OBCs for which there is active ownership and firm commitment to implementation.

Prioritisation

16. Following analysis of the 22 “We will” statements in the BLIS, nine projects have been identified as high priority (see the full lists at Appendix 1) for the application of BRRP funds for OBC development. The method used was to apply the following five tests:

- At least one of:
 - cross-boundary reach (both cross-LA and/or cross-LEP); OR
 - a strong carbon-reduction component; OR
 - proposing large-scale governmental or other investment into the economy; OR
 - promoting inclusive economic growth
- Is it truly a major project?
- Is there likely to be a source of funds that could implement the project?
- Is the OBC likely to show good value for money?
- Is there a viable non-business case route to delivering this project?

17. Prior to giving financial approval for the commissioning of each OBC,

- a) A detailed brief for each OBC is to be commissioned
- b) A timetable setting out the phases of the proposed development of the OBC, together with “gateway” decision points where, if appropriate, further development of the OBC might be halted
- c) A partnership statement setting out support for the brief, with a named representative of each partner to be accountable for that partner’s support for the project
- d) A financial statement of requirements from the BRRP funds and the contributions from partners for the planning and implementation stages
- e) A governance statement setting out the scrutiny and reporting arrangements.

The LEP programme management office will oversee and report on the progress on each of the projects.

Other Implications

Financial

18. Business Rate Retention Pilot funding is administered jointly between Thames Valley Berkshire LEP, Bracknell Forest Council and the Royal Borough of Windsor & Maidenhead. The planning figure of £36m for 2018-19 & 2019-2020 is based on current estimates of business rates collection during the period and no revisions are anticipated.

Risk Management

19. There are no significant risks for BLTB.

Human Rights Act and Other Legal Implications

20. Slough Borough Council will provide legal support for the BLTB should any questions arise.

Conclusion

21. This report informs you regarding the allocation of forward planning funds available from the Business Rates Retention Pilot (BRRP) in connection with the Berkshire Local Industrial Strategy.

Appendix 1

1. High Priority for Outline Business Case investment

The following “We will” statements have been identified in the BLIS

	Chapter	Page	We will	Commentary	Overall
B	8: Ideas	30	We will work with actual or potential anchor institutions to support the commercialisation of knowledge, and build productive links between SMEs and major players across Berkshire. This will require creative responses through the use of sites and premises, through workforce development plans, and through networking processes and events.	<p>Cross-boundary reach with potential for strong inclusive growth element</p> <p>Sites and premises element would be major</p> <p>Innovation and productivity funds are likely to be available, especially if directed to sector development plans (eg AI or Life Sciences)</p> <p>Likely to be good value for money</p> <p>Capital elements of sites and premises (and possibly revenue) needs OBC</p>	<p>High</p> <p>Possible anchor institutions include: Reading University, AWE, Vodafone, Telefonica, Heathrow, Syngenta, SSE.</p> <p>Proposed commissioner: LEP</p> <p>Proposed governance: LEP Business Environment Group or LEP SEE Group (Skills Advisory Panel) tbd</p>
C	8: Ideas	30	We will work with government to implement the sector deals for AI and Life Sciences insofar as these are relevant to Berkshire. We will continue to make the case for a Life Sciences Opportunity Zone (LSOZ) in Berkshire	<p>Cross-boundary reach with potential for strong inclusive growth element</p> <p>Premises element or investment incentives could be major</p> <p>Sector funds are likely to be available</p> <p>Likely to be good value for money</p>	<p>High</p> <p>LSOZ is a government designation (no grant attached) unsuccessfully applied for in 2019. There is a partnership group that made this application.</p> <p>Proposed commissioner: LEP</p> <p>Proposed governance: LEP Business Environment Group</p>

	Chapter	Page	We will	Commentary	Overall
D and E	9: People	32	<p>(D) We will support the work of the Skills, Education and Employment Group (our Skills Advisory Panel) particularly in terms of maintaining a robust evidence base (in the form of Skills Priorities Statements) and then using it to effect better outcomes in terms of raising productivity and promoting inclusive growth.</p> <p>(E) We will increase our supply of people with higher-level skills to sustain productivity levels and continue to attract and retain leading international firms post-Brexit. We will work with central government to ensure that local learning provision (from schools to Higher Education) is able to respond to local current and future industry demand and societal needs.</p>	<p>Strong impact on promoting inclusive growth</p> <p>Investment funds likely to follow on from the promotion of Skills Advisory Panels and the Productivity Agenda</p> <p>Has the potential to demonstrate value for money</p> <p>Strong potential to identify a coordinated programme of capital investment for skills (eg new school and college laboratories that support Science education; or IT labs that support AI education)</p>	<p>High</p> <p>Specific investment opportunities to be identified in secondary, further, higher education settings and in the community and commercial sectors</p> <p>Proposed commissioner: LEP</p> <p>Proposed Governance: LEP SEE Group (Skills Advisory Panel)</p>
F	10: Infrastructure	34	<p>We will put in place a Digital Infrastructure Group (DIG) to drive this forward, acting as TVB's 'Digital Champion' and 'Digital Infrastructure Co-ordinator'; this will result in more and better digital solutions to solve infrastructure/connectivity issues, particularly making use of fibre, 5G and Big Data.</p>	<p>Cross boundary reach</p> <p>Capital investment element is major</p> <p>BDUK or similar funds are likely to be available</p> <p>Likely to be good value for money</p> <p>Capital investment will need OBC</p>	<p>High</p> <p>Proposed commissioner: West Berkshire Council</p> <p>Proposed governance: Digital Infrastructure Group</p>

	Chapter	Page	We will	Commentary	Overall
H1	10: Infrastructure	35	<p>We will implement the sustainable transport measures set out in the Local Transport Plans and the strategy adopted by TfSE.</p> <p>We will investigate non-infrastructure measures to encourage modal shift (such as smart ticketing/ Oyster extension, workplace parking charges and congestion charging).</p>	<p>Cross boundary reach and strong carbon reduction element.</p> <p>Would be a major project spanning multiple local authority areas</p> <p>Government funds likely to be available</p> <p>Likely to be good value for money</p> <p>OBC will be required to secure investment</p>	<p>High – assuming there is a coordinated programme across multiple local authority areas. Could be physical infrastructure or regulatory or behaviour change</p> <p>Proposed commissioner: LEP</p> <p>Proposed governance: Berkshire Local Transport Body</p>
I	10: Infrastructure	35	<p>Through the planning process, we will work to ensure that new housing developments are served by (and contribute financially to) sustainable transport schemes.</p> <p>[NB see also BLIS commitment to joint working with other LEPs]</p>	<p>Cross boundary reach, strong carbon reduction element, potential for inclusive growth element</p> <p>Existing Sustainable Urban Extension projects (eg Grazeley) are major projects and a new OBC would build on learning to identify the next generation of potential sites</p> <p>Strong links to J Energy below</p> <p>Housing/Homes England funds likely to be available once initial feasibility has been demonstrated</p> <p>Likely to be good value for money</p>	<p>High – for the largest Sustainable Urban Extensions (SUE) – especially if considering all aspects of carbon reduction or sustainability, not just transport. Likely to be feasibility studies attempting to replicate the successes of earlier SUE projects.</p> <p>Proposed commissioner: Wokingham Council</p> <p>Proposed governance: tbd</p>

	Chapter	Page	We will	Commentary	Overall
				Good master planning, with OBC, most likely to deliver	
J	10: Infrastructure	35	We will start to implement the actions set out in the Thames Valley Berkshire Energy Strategy, working with partners to model and identify sustainable and best value utilities services for our area.	<p>Cross boundary reach and strong carbon reduction element.</p> <p>Capital investment element would be major</p> <p>Strong links to I and the Sustainable Urban Extension Feasibility Studies proposed above</p> <p>Zero carbon/climate emergency funds likely to be available</p> <p>Likely to be good value for money</p> <p>Capital investment will need OBC</p>	<p>High – for capital elements if required especially if step change LEP-wide programme can be identified, including good base-line data on current carbon-dependency.</p> <p>Proposed commissioner: possibly Wokingham, if linked to SUE master planning</p> <p>Proposed governance: tbd</p>
P	11: Business Environment	38	<p>We will work with partners to ensure that the full range of provision for land and premises required by major sectors is available – from start-up (incubator, managed workspace) to grow on space – in suitable locations (both urban and rural).</p> <p>[NB see also BLIS commitment to joint working on employment land provision]</p>	<p>Cross boundary reach with potential for strong inclusive growth element focussed on level 1 and 2 skills development as well as capital investment</p> <p>Sites and premises element would be major</p> <p>Innovation and productivity funds are likely to be available, especially if directed to sector development plans (eg</p>	<p>High</p> <p>Proposed commissioner: LEP</p> <p>Proposed governance: LEP SEE Group (Skills Advisory Panel) or LEP Business Environment, tbd</p>

	Chapter	Page	We will	Commentary	Overall
				<p>AI or Life Sciences)</p> <p>Likely to be good value for money</p> <p>Capital elements of sites and premises needs OBC</p>	
R and S	12: Place	40	<p>We will establish a TVB Place Making Board that will help to enable our towns to function as vibrant employment and cultural/tourism hubs; and support the development of the cultural sector more broadly.</p> <p>We will work with local authorities to develop alternative strategies for Berkshire's High Streets, positioning them as places for enterprise, innovation and culture in a broader sense.</p>	<p>Cross-boundary reach and the capacity to promote inclusive growth</p> <p>A major investment programme spreading across the towns of the Thames Valley Berkshire area which aligns closely with the One Public Estate project and has a high prospect of unlocking further government funds.</p> <p>With improved branding, the right choice of investment opportunities can deliver good value for money</p>	<p>High</p> <p>Proposed Commissioner: to be identified</p> <p>Proposed Governance: BCExG acting as the shadow Place Making Board</p>

2. Other “we will” statements with lower priority for Outline Business Case investment

	Chapter	Page	We will	Commentary	Overall
A	8: Ideas	30	We will put in place mechanisms for increasing local Knowledge Exchange in response to the Grand Challenges. These may include challenge competitions, data science collaborations, student placements and events structured on the basis of “common purpose”.	<p>Not a major project – more a programme of activity</p> <p>Source of funds not known</p> <p>Value for money unknown</p> <p>Partnership arrangements can deliver this</p>	Low
G	10: Infrastructure	34	We will explore the option of a 5G Logistics Hub, with the local authorities and the private sector.	<p>Cross boundary reach</p> <p>Capital investment element would be major</p> <p>Innovation or Digital funds could be available</p> <p>Potentially good value for money</p> <p>Any capital investment required will need OBC</p>	<p>Medium – for capital elements</p> <p>Maybe a special case within F above</p>
H2	10: Infrastructure	35	We will continue to work cross-boundary to implement the transport strategy adopted by TfSE (including 3 rd Thames Crossing; A4, A33 & A34 corridors; North Downs Line)	<p>This is a statement of support for TfSE and elements of the TfSE Strategy.</p> <p>TfSE funds will be available and consideration needs to be given to joint funding in appropriate circumstances</p> <p>Likely to be good value for money</p>	<p>Medium</p> <p>Maybe High for chosen large named projects if partnership funding with TfSE can be identified</p>

	Chapter	Page	We will	Commentary	Overall
				Partnership arrangements can deliver this; matching funds for OBC development might be considered	
K	10: Infrastructure	35	We will continue to work with government to shore-up the delivery of western and southern access to Heathrow.	<p>Not a major project for us – more a statement of support for others</p> <p>Transport and airport funds likely to be available</p> <p>Likely to be good value for money</p> <p>Partnership arrangements can deliver this – others (Network Rail, HAL) leading</p>	Low for application of BRRP funds, as these projects are beyond OBC stage
L	11: Business Environment	37	Locally, we will work through our Growth Hub to make sure that more businesses understand how to become more productive and to scale-up, building on the ScaleUp Berkshire Programme	<p>A programme of activity</p> <p>Source of funds likely to be through continued funding from BEIS grants.</p> <p>Potentially good value for money</p>	Low for application of BRRP funds, as BEIS is already committed to funding Business Growth Hubs
M	11: Business Environment	37	We will build on the Funding Escalator and continue to work with the Business Growth Fund and other partners to ensure that more businesses have appropriate access to finance and can grow – thereby closing the key funding gap that exists.	<p>Cross boundary reach</p> <p>Has the potential to be a major project addressing the £300k - £2m loan/equity funding gap. Need to show why grant funds (not commercial loans) are needed to bridge this growth funding gap</p> <p>Likely to be good value for money</p>	Medium

	Chapter	Page	We will	Commentary	Overall
				OBC will be needed to establish a “market-failure” which will then justify increased capitalisation in the proposed fund	
N	11: Business Environment	37	We will promote an export support programme to target High Export Potential businesses	<p>A programme of activity</p> <p>Funded potentially through the live ERDF Call ‘The Internationalisation Fund’ (Export Grant Scheme), which is designed to target High Export Potential businesses.</p> <p>Likely to be good value for money</p> <p>Partnership arrangements can deliver this</p>	Low
O	11: Business Environment	38	We will work with the Thames Valley Chamber of Commerce to ensure that support services (including Key Account Management) for international investors are targeted and maximise the impact of FDI for Berkshire	<p>A programme of activity</p> <p>TVB LEP funding the recruitment of an Inward Investment & Business Engagement Lead to address this activity.</p> <p>Unknown value for money</p> <p>Partnership arrangements can deliver this</p>	Low
Q	11: Business Environment	38	We will work with Government – and through the One Public Estate (OPE) route – to identify opportunities to release sites and premises for re-use in a manner that is aligned with our ambitions	<p>A programme of activity</p> <p>Source of funds not known</p> <p>Unknown value for money</p>	Low

	Chapter	Page	We will	Commentary	Overall
			for more inclusive growth that is also more productive.	Partnership arrangements can deliver this through OPE	
T	12: Place	41	We will work closely with neighbouring LEAs, our six unitary authorities and major delivery partners to ensure that communities and businesses across Berkshire benefit from the growth opportunities linked to nationally-significant infrastructure.	A programme of activity Source of funds not known Unknown value for money Partnership arrangements can deliver this	Low
U	12: Place	41	We will work with local authorities across Berkshire to continue to explore appropriate solutions, recognising the need to plan for sustainable communities across Berkshire.	Cross boundary reach and strong carbon reduction element, with potential for an inclusive growth strand Could be a major project if coordinated across local authority areas Various sources of funds are possible. See projects I10 – Infrastructure and R&S 12 - Place above Unknown value for money Awaiting the development of the Berkshire Place Making Board (see project R 12 above) and then the necessary horizon scanning and idea generation completed before OBC can be commissioned	Medium