4 September 2015

By email

Dear Chancellor and Secretary of State for Communities and Local Government

A West of England Devolution Deal

The four authorities of the West of England (WoE) Core City Region, supported by the LEP, have committed to developing an ambitious devolution deal that will strengthen the region's contribution to UK growth and productivity, whilst enhancing the liveability that is at the heart of the WoE offer. This deal will deliver a sustainable £2 billion+ step increase in annual GVA over and above what we could deliver under business-as-usual, whilst ensuring we narrow the gap between more affluent and disadvantaged communities thereby reducing welfare costs in the WoE.

We will deliver these outcomes through a combined devolution and Payment by Results funding (PbR) deal. Our approach prioritises those aspects of devolution where local control can do most to promote productivity. We also recognise that a Payment by Results funding deal means that we will be investing first, and at risk, and that in order to recover our up-front investment we will have to demonstrate sufficient additional net national growth, principally through increased productivity. We also recognise that sufficient housing delivery, supported by the appropriate infrastructure, will be critical to success. Our approach therefore envisages an initial agreement in principle on PbR then being subject to an agreed Joint Spatial Plan, currently timetabled for summer 2016. We also recognise that success will depend on fit-for-purpose delivery and governance structures.

This is a demanding agenda, but is designed to ensure we remain the most productive Core City Region, recognising the precedents set by PbR deals done in Greater Manchester, Leeds, Cambridge and most recently Glasgow & the Clyde Valley – city regions with which we compete for talent and investment.

The West of England represents a unique opportunity – it is the only Core City Region that has demonstrated above average productivity and economic growth rates over the past 15 years. But sustaining that growth cannot be taken for granted. More recently, productivity growth has dipped, skills shortages are on the rise, housing availability is increasingly constrained, and levels of congestion are amongst the highest in the UK.

Our existing City Deal is helping, and demonstrates our collective ability to deliver, but on its own falls a long way short of what we need over the next 10 years if the WoE is to maintain its position as the most productive Core City Region and thereby maximise its national contribution. Overall, the existing City Deal is expected to provide for £500m of additional public investment over a 25 year period. This £500m of public investment amounts to 2% of current GVA over 25 years (ie by 2040). This is significantly less than the level of investment in other city regions that are supported by PbR deals and takes much longer to deliver. For example:

- *Glasgow & the Clyde Valley* is investing the equivalent of **3%** of its GVA over 10 years – i.e. by 2025 (a £1.1bn fund relative to an economy of £35bn)

- *Greater Manchester* is investing **5%** of its GVA by 2020 (a £2.75bn fund relative to an economy of £56bn)
- *Greater Cambridge* is investing **9%** of its GVA potentially by the mid 2020's (a £1.0bn fund relative to an economy of £11bn)

This submission sets out the main elements of the proposed devolution and PbR deal, with the objective of informing the forthcoming Spending Review. This combined proposition is in support of our agreed objective of '*A prosperous economy with a rising quality of life for all*'. There are two pillars to support this vision which are grouped into 'Place' and 'People'.

Place

At the heart of the 'Place' pillar is a proposed £1bn 10-year Infrastructure Fund designed to maximise productivity by unlocking economic infrastructure, with every penny deployed to maximise sustainable growth. This will be crucial in order to deliver the outcomes of both the Joint Spatial Plan and Joint Transport Strategy that are already underway. Dovetailing these two processes offers the chance to deliver the first economically-prioritised integrated spatial and infrastructure plan in the UK.

A robustly prioritised investment programme will deliver a step change in the WoE economy, generating net gains for the UK, primarily via productivity increases. Compared with the returns on programmes elsewhere, we would expect to increase annual WoE GVA by £2 per £1 of additional local up-front investment. This will in turn increase net tax receipts for the Exchequer, and reduce welfare payments. The £1bn fund would at least triple the level of local infrastructure investment in the WoE over the next 10 years compared to that possible under the existing City Deal, which provides for £500m of public investment over 25 years. As with other Infrastructure Fund deals, this will need to include a gain share or PbR element. The WoE authorities expect the fiscal gains generated by this type of programme to deliver more than sufficient value to HM Treasury to justify a gain share mechanism – thereby ensuring this proposition is fiscally neutral.

The programme will involve up-front investment financed by the partner authorities with payments from government dependent on independent confirmation that sufficient additional net national growth has been delivered. We envisage this assessment would be performed by the same expert panel that is being established to make these PbR assessments elsewhere. It is recognised that, as with the other cities, a substantial degree of local risk taking is an essential feature of the deal and represents a significant 'offer' by the local authorities to government.

The Infrastructure Fund and PbR deal would build on a single place-based capital budget and 10-year capital settlement. The £1bn would be additional to this, financed locally, with the principal being repaid through PbR as additional growth was delivered. The partner authorities would be responsible for servicing the borrowings until the PbR payments were made, and for making up any shortfall in principal repayment should insufficient growth be delivered.

People

The WoE is seeking to integrate a forward-looking industry-informed skills strategy with new pathways to employment in order to meet the needs of the local labour force and businesses. This will be critical to ensuring the benefits of increased economic opportunities are maximised and to ensure inequalities within the WoE are addressed. Our ultimate ambition is to manage all post-16 skills funding, but we recognise that this will need to be a managed transition as we build capacity and demonstrate delivery.

This will require the partner authorities, with the support of the LEP, to develop a bespoke and forward-looking skills strategy alongside improved monitoring and evaluation of learner outcomes. A truly integrated post-16 skills strategy would ultimately require greater influence over the main funding streams from the Skills Funding Agency (SFA), Education Funding Agency (EFA), Apprenticeships Grant for Employers (AGE), localised careers guidance, as well as co-commissioning for targeted cohorts within the Work Programme (or its successor).

Summary
These pillars are designed to align local and national objectives by prioritising interventions that will target productivity improvements and reduce avoidable welfare expenditure. Based on the returns generated by similar investment programmes in the UK, it is anticipated this would generate a 5% sustainable uplift in the WoE economy.

We recognise that this will require appropriate governance and delivery structures in order to deliver the outcomes and manage the local risks that are a central feature of the PbR approach. The combined devolution and PbR deal will feed into the WoE Strategic Governance Review (which is already underway), noting that the appropriate governance and delivery mechanisms will be determined by the nature of the deal itself.

There has been significant progress in recent weeks to define the scope and strategic direction for a potential WoE devolution deal. However, further work to develop the detail of the devolution and PbR deal will require an intense period of work, particularly over the next two months in order to inform the Spending Review. We welcome the opportunity to develop these further in conjunction with colleagues from Central Government, first in order to reach an agreement in principle in the autumn, and then as we confirm the details in time to deliver the draft Joint Spatial Plan next summer.

Yours sincerely

Tim Warren

Cllr Tim Warren, Leader of Bath and North East Somerset

George Ferguson CBE, Mayor of Bristol

N.C. Ashton

Cllr Nigel Ashton, Leader of North Somerset Council

Matthew Riddle

Cllr Matthew Riddle, Leader of South Gloucestershire Council

Colin Skellett

Colin Skellett, Chair of the West of England Local Enterprise Partnership

West of England Devolution Deal: Delivering productivity and prosperity

I. Introduction

1) The four West of England (WoE) authorities are seeking a devolution deal that will boost productivity in the city region, ensure that its historic strong performance is not constrained and ensure its position as the main driver of the South West economy. This submission to the HM Treasury is designed to start the conversation with the UK Governments on the details of this deal, and inform the Spending Review process.

2) A new devolution agreement would build on the previous City and Growth Deals, including the WoE's success with creating the Economic Development Fund. This would provide the Chancellor with the opportunity to announce the next significant devolution deal in the Autumn Statement.

3) Firstly, however, it is necessary to understand the challenges and opportunities in the city region, and the WoE's strategic response to these.

II. Economic context: Why does the West of England need a devolution deal?

4) The WoE generates some £28bn in economic output (GVA) and is home to 1.1m people. Its geography closely matches the functional economy of the city region (nine out of ten people that work here also live here). The area has demonstrated strong historic performance relative to the other English Core City regions: it had the highest GVA growth rate 1997-2013 (4.4%), demonstrated above average UK productivity, is home to a highly skilled and creative workforce/talent, and had the highest population growth rate (8.7%) between the last two censuses.

5) The city region has significant industrial clusters[1] in creative, health, advanced engineering, transport & aerospace, real estate, food & drink, and insurance & financial jobs. There is also a growing cluster around 'low carbon energy' – notably, Bristol was awarded European Green Capital for 2015. The LEP's Strategic Economic Plan is committed to further supporting the five priority sectors where the WoE has an international comparative advantage: professional services, advanced engineering & aerospace, high tech, creative & digital, and low carbon.

6) Despite these strengths the evidence base indicates there are key issues that need to be addressed in order to sustain growth:

    a) The WoE has weathered the recession better than other areas, but post-recession growth has slowed to below the national average. Productivity, although higher than the national average, has not grown in line with the rest of the UK. Productivity in Bristol is now lower than in the surrounding area.

    b) There is an emerging infrastructure deficit that is threatening to hold back the area's growth potential and competitiveness.

        i) Road congestion in Bristol and the surrounding area is the highest of any comparable city in the UK. Equally, the poor public transport offer has hampered efforts to tackle unemployment and welfare dependency, with inadequate links between areas of employment density and persistent concentrations of unemployment and economic inactivity.

[1] As measured by their Employment Quotient (EQ) relative to the GB average; BRES 2014 data

ii) Housing affordability has declined rapidly over the past 15 years. Average house prices range from 6.8 times median earnings in Bristol (the highest of any English Core City) to 8.7 in Bath and North East Somerset. Private sector rents in the WoE increased faster than any other area outside London over 2011-2013 (12.5%)[2].

c) ONS trend based forecasts point to a potential growth in the city region's population of almost 20% by 2035. This is a reflection of the historic attractiveness of the region and its strengths, but is only deliverable if the region's infrastructure can cope.

d) Finally, there are scattered areas across the city region with high deprivation and overlapping issues with skills attainment, health, and access to employment. These areas represent both an opportunity cost, in terms of unused potential, and a real cost to government, in terms of welfare expenditure.

7) The challenges outlined above mean that a WoE devolution deal needs to deliver both:

a) <u>Increased infrastructure investment</u> in order to remove the current constraints to sustainable growth and allow the city region to capitalise the strong forecasted population and employment growth (thereby capturing the associated agglomeration / productivity gains that this would generate); and

b) <u>An improved employment and skills offer</u> that engages employers to ensure that there is an appropriately qualified labour force to take advantage of this growth, and to address areas of deprivation and worklessness.

III. Objectives for the deal

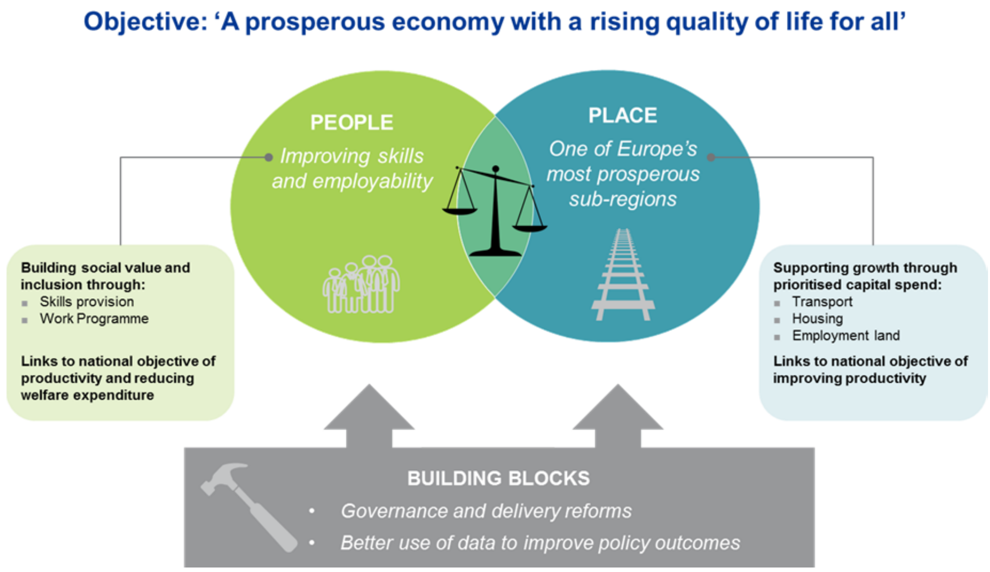
8) The vision for the WoE is to achieve '*A prosperous economy with a rising quality of life for all*'. This means achieving prosperity in a way that contributes net nationally while also supporting the West of England's unique appeal within the UK as a liveable area with exceptionally high quality of life. Any growth must recognise the area's ambitions to achieve a fairer, low carbon society and to close the gap between economically excluded and other communities.

9) The WoE is seeking an overall devolution deal in support of the two pillars of 'People' and 'Place' set out in the figure below.

a) The '*Place*' pillar recognises the fundamental role of infrastructure in supporting the economy. There is now a large body of evidence supporting the role of infrastructure in improving regional economic outcomes through the productivity gains that come through a number of channels – chief among these is agglomeration economies.

b) The '*People*' pillar recognises that infrastructure alone is not sufficient to boost productivity, attract business or support the well-being of residents, and that the WoE need to a joined up approach to tackle inequalities within the region, reduce worklessness, enhance fairness and create opportunity for all.

[2] National Housing Federation (NHF) 'Home Truths' 2014/15



10) The combined effect of these interventions are designed to increase the WoE's net contribution to UK plc. This will result in a fiscal dividend, which should be shared between the WoE and Central Government via a Payment-by-Results deal in order to ensure a proportion of these gains can be reinvested in the city region to achieve even greater levels of prosperity and growth.

IV. The 'Place' interventions: Generating prosperity and productivity

11) The four WoE authorities will tackle the infrastructure deficit through a circa. £1bn 10-year Infrastructure Fund to include all forms of economic infrastructure. Metrics from other city region Infrastructure Funds indicate that a fund size of £1bn could provide a sustainable 5% uplift in the economy. This represents a significant 'offer' to the UK Government in terms of the local contribution to the overall cost of the fund as well as the expected productivity gains and resulting increase in tax receipts.

12) This proposition would therefore be fiscally neutral in the longer term, since councils would only receive payments once it was shown that additional growth (and thus tax receipts) have been delivered. The only implication for the 5-year Spending Review is therefore the amount of borrowings that would be needed for the councils to finance the first 3 years of the investment programme (assuming construction starts in 2017). It is anticipated that this would equate to circa. £400m of additional PWLB borrowings during this SR period.

13) The WoE authorities and LEP have already made progress on this front by creating the Economic Development Fund (EDF) through the City Deal, which pools retained business rates for investment in economic infrastructure. This fund is already fully committed on schemes delivering economic growth. An Infrastructure Fund represents the next step in this process in order to bring the level of investment to a similar scale of that in Glasgow & the Clyde Valley, Greater Manchester, Greater Cambridge, and West Yorkshire.

14) The metrics underpinning the Fund would be designed in such a way to ensure balance across the city region. The authorities have already agreed to the following:

    a) A lead prioritisation metric of GVA net to the city region / £ cost to the fund

    b) Three secondary criteria:

        i) Geographic balance across the city region with regards to the economic growth delivered (e.g. as measured by improved access to employment);

ii) Reducing inequality by ensuring areas with higher deprivation / lower wages benefit by improved access to employment; and

iii) An environmental target e.g. to reduce CO_2 emissions, improve air quality, or retain a high quality natural environment.

15) Housing is of particular importance for the WoE. One of the challenges facing the West of England is getting the houses with planning consent built at a pace that meets the local need. The focus should be placed on developers to deliver the identified requirement in a timely manner. In addition, as 'Fixing the Foundations' made clear, housing is an integral part of the productivity agenda. Increasing the delivery of housing is essential in order to solve the WoE's mounting affordability issue, grow the size of the labour force, and increase economic mass which ultimately increases productivity.

16) The increased pace of housing delivery needs to be supported by an Infrastructure Fund to remove blockages to development caused by infrastructure deficits. The WoE is also exploring other means to expedite brownfield development – this could be accomplished for example, by using some of the proposed £1bn infrastructure fund to increase the funding available via the already established Revolving Infrastructure Fund (RIF), which offers loan support for the physical infrastructure required to unlock development up-front.

17) The four authorities are committed to a timetable for producing a Joint Spatial Plan (JSP) to ensure that future housing needs are met and delivered in appropriate locations. An issues and options paper is to be published for consultation this autumn with a draft JSP expected by summer 2016.

18) While the detailed economic modelling prioritisation of projects has yet to be undertaken, the process is already underway to develop the WoE Joint Spatial Plan and Joint Transport Plan offer the opportunity to ensure a genuinely coordinated approach. Combining the JSP process with an Infrastructure Fund means that the WoE authorities are able to offer the first ever integrated spatial and transport plan to be prioritised with recognition of the fundamental economic priorities across the WoE. We believe this would be a genuine first in the UK, and would recognise the reality that the economic impact of housing is about more than the total built and also depends on how well connected the housing stock is to locations where productivity is highest and sustaining this level of connectivity over time as growth is delivered. A robust prioritisation process would also give an opportunity to offer the up-front release of JSP allocated sites to expedite delivery in the first ten years of the Plan period.

19) It is expected that a 'gateway approach' would be applied to the Fund, similar to those used in other PbR agreements, with the first gateway focused on programme delivery (outputs), and the subsequent gateways being more focused on the demonstration of additional growth and thus fiscal benefits at the national level (outcomes) as assessed by an Independent Panel. This process involves significant local risk if the investment delivers an insufficient contribution to national economic growth.

20) To ensure businesses can fully take advantage of the increased investment, the WoE is also seeking to devolve BIS and UKTI funding to channel through the LEP's existing Growth Hub.

21) The 'Place' pillar will deliver:

a) An economically-focused JSP and infrastructure investment programme where funding will be rigorously targeted at maximising net economic growth at the city region and national levels;

b) Building on a 10-year devolved single capital pot, up-front locally financed additional investment sufficient to deliver a 5% plus increase in the economy of the WoE over and above what the single capital pot alone can deliver. As noted above, this level of additional growth is expected to require additional investment of some £1bn over a 10 year period. Of this, some £400m could be expected to be spent within the SR period. A significant proportion of the additional growth delivered will be net national and therefore generate additional tax receipts for the Exchequer. It is this fiscal dividend, as assessed by the independent panel, which would be reflected in the PbR payments. The PbR income would be used to repay the additional local borrowing, with the WoE authorities covering interest costs in the meantime; and

c) Enhanced support for WoE businesses via the Growth Hub and Invest Bristol and Bath initiatives drawing on devolved funding.

22) This proposition is expected to triple economic investment over the next 10 years compared to the existing city deal which provides for a total of £500m of additional public sector infrastructure investment (funded through retained business rates) over a 25 year period. (The headline figure of £1bn in the current city deal includes an assumed level of private investment in sites unlocked by the £500m public investment.)

23) £1bn of PbR funded investment would allow the WoE to come close to matching the kinds of investment levels relative to overall size of economy being delivered through existing deals such as that with Greater Manchester, Glasgow, Leeds etc.

V. The ‘People’ interventions: Improving skills and employability

24) Skills are integral to the economic growth of cities, impacting on business competitiveness, employment prospects, pay, and wellbeing of individuals. The Government’s Productivity Plan (‘Fixing the Foundations’) outlined the links between productivity and skills, highlighting the importance of post-16 training as well as apprenticeships.

25) The type of jobs and skills required by employers vary significantly between cities. This reflects sectoral differences in local economies and labour markets. Ultimately an area's prosperity, and the living standards of its residents, depend on a strong local economy and a labour force capable of meeting current (and future) skills requirements.

26) Currently the skills market is largely driven by its provider base, operating within a system whereby the key market levers - such as funding rates, entitlements, contributions, eligibilities - are set nationally. The skills provider model is "input related" i.e. based around what the provider can deliver, rather than "output related" i.e. based around the needs of the local economy. The sector mix of a skills offer is often provided in response to user demand and therefore can be poorly informed.

27) The Government makes a large annual investment in post-16 education in the WoE. However, there are number of challenges that need to be addressed:

a) Mismatches between skills supply and needs of employers. In particular focus on sectors with the greatest growth potential locally, those employing high volumes of people, and specifically supporting high growth driven needs around Automotive; Building Services Engineering; Construction; Fashion & Textiles; Land-Based & Environmental Industries; Marketing & Sales; Security Industries.[3]

b) Insufficient tailoring of Careers Advice and Guidance. Following the recent ability to influence elements of National Careers Service provision locally, we seek to strengthen this is further. Both survey and anecdotal evidence indicates there is considerable appetite for additional information and advice on jobs and career pathways at all levels, both young people and adults.

[3] Source: Compiled by Centre for Economic & Social Inclusion on behalf of LGA

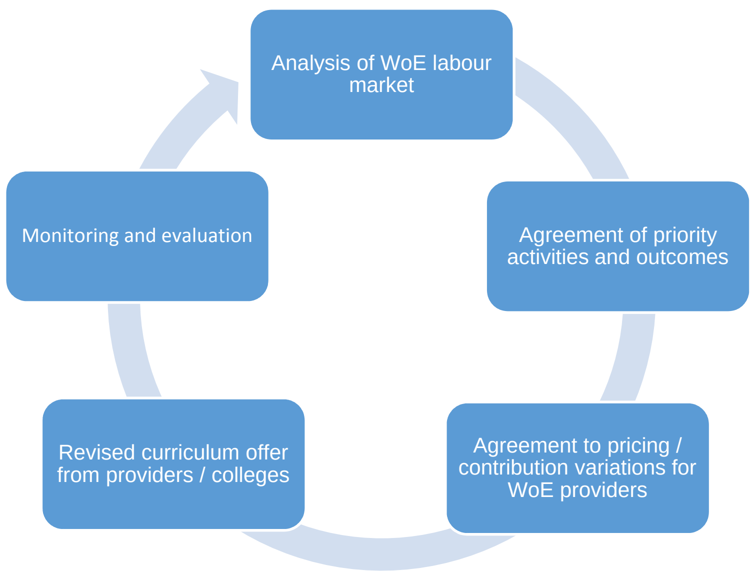
c) Areas of persistently high deprivation, worklessness, disadvantaged and low skills achievement. There are spatial concentrations of areas of economically excluded communities with overlapping issues that will require new, holistic approaches in order to help people into sustained employment.

28) In order to ensure the WoE can meet its objective of increasing prosperity and quality of life, the WoE is seeking a managed transition to devolve power over post-16 skills provision over the lifetime of this Parliament. This would enable the city region to develop an integrated and streamlined skills service that delivers better outcomes for local businesses and people - and better value for government.

29) There is no additional financial ask: The WoE recognise any change to skills provision needs to be fiscally neutral and would work with Government to identify the appropriate regional share of national skills budgets. Total investment in skills in WoE should remain stable.

30) WoE welcomes the involvement of BIS and DWP in shaping these proposals. We will build on the lessons learned through the successful BIS Skills Funding Incentive Pilot and extend our approach of utilising employer intelligence, financial levers and a consortium-accountability approach to influence provision. Given current skills funding and curriculum planning schedules, activity will be required throughout 2015 and early 2016 if changes to the skills system are to take effect during the 2016-2017 academic year.

31) The process for delivering an integrated WoE skills offer, based on extending the model currently delivered in the WoE, is represented below. It starts with gathering the evidence base alongside the LEP, employers, and providers. To this end, the WoE would welcome strategic involvement in the Post-16 provision 'area-based review' process and will ensure that findings from our review will provide a robust evidence base for the design, development and delivery of our 'integrated WoE skills offer', as per the recently released guidance (Reviewing post-16 Education and Training institutions).



32) The first step in this process is particularly important in order to collect the required information for a responsive and employer-led skills strategy. The LEP Economic Intelligence Group and Expert Panel will work with others to collect labour market intelligence from the councils, LEP, business leaders, and central government. It would also liaise with providers through forums such as the Western Training Providers Network (WTPN) and the West of England FE College Consortium. The intelligence gathered will help to inform the work of an appropriate body to develop the local

employment and skills system, and would work towards the development of a 'local area outcome agreement' to deliver the skills and employment needs of the city region.

33) <u>The People pillar will deliver</u>:

a) *Productivity growth*: The councils are seeking to enhance the employer-led system being developed by the LEP, built on improved labour market intelligence to align training provision with local conditions. This will also require greater ability to inform learner choices by establishing more effective career guidance on different professional pathways.

This will require greater influence over the way post-16 skills funding is spent (including *SFA and EFA budgets*) in order to influence providers. The LEP's Skills Incentive Pilot has started to make inroads and build a consortium of providers, but currently only has influence over 5% of the adult skills budget.

This would also necessitate devolved control over the *Careers Education Information Advice and Guidance (CEIAG)* and *Apprenticeship Grant for Employers (AGE) – or any future replacement of AGE*.

b) *Reductions in the welfare bill*: The councils would seek to develop improved employment outcomes for those cohorts that are significantly distanced from the employment market and who have other substantial welfare issues (e.g. ex-offenders). The councils would initially create a pilot to address those communities and individuals with complex needs and support them into sustained work, including co-commissioning the *Work Programme* (or its successor) for priority cohorts. This is key to reducing welfare expenditure and meet WoE objectives of fairness and reducing inequality. The councils intend to extend the approach adopted in their Troubled Families programmes, including the use of multiple datasets to support predictive analytics and targeting of provision, to other client groups.

These types of interventions lend themselves to a Payment-by-Results approach and the councils would be keen to explore this type of risk/reward model (as well as opportunities to co-invest) with Central Government.

c) *Better monitoring and evaluation of outcomes*: Better evaluation of training outcomes using a data sharing agreement that provides an enhanced Individual Learner Record (ILR).

VI. Timelines, governance and delivery

34) The WoE welcomes a more in-depth conversation with Government on the basis of this proposition, with the aim of an announcement in the Autumn Statement and full detail of a devolution agreement by summer 2016. This process dovetails with the timing to deliver the Joint Spatial Plan and Joint Transport Plan in summer of 2016.

35) The WoE has made significant progress to build consensus at city region level on the scope of a devolution deal, this includes strong support from the LEP, but recognises this submission is only the start of an ambitious work programme over the next 12 months. Going forward it will need to work closely with Central Government (particularly HMT, DCLG, DfT, DWP and BIS) to:

a) Design the detail of interventions (e.g. the list of infrastructure investments, the pilot schemes to address deprivation);

b) Create the analytical frameworks for measuring impacts;

c) Agree baselines against which to measure improvements, and demonstrate local additionality.

A ‘Gateway Process’ for securing the devolution deal is set out on the next page.

36) The councils have agreed to five workstreams to take this work forward over the next year:

a) *Lead Officers Group*: To cover PMO / Governance / Stakeholder management;

b) *Economic*: To develop the required analytical frameworks for prioritising interventions;

c) *Financial*: To determine local funding streams in play and model the financial implications on council budgets;

d) *People and Skills*: To develop the skills and Work Programme proposition; and

e) A *Strategic Governance Review* will follow in parallel with the deal negotiations.

These will feed into the already established Strategic Leaders Board (SLB) for strategic direction and decision making.

37) In order to manage the risks across the partners within the WoE, appropriate governance structures will be established that support the delivery of the desired outcomes. The devolution deal will feed into the WoE Strategic Governance Review (the statutory process which is already underway), noting that the appropriate governance and delivery mechanisms will be determined by the nature of the deal itself.

38) In parallel to the devolution deal, the WoE Authorities will continue to work beyond their administrative boundaries to align and influence regional and national initiatives.

Timetable and gateways for WoE Devolution Deal

Pillar	Gateway One December 2015	Gateway Two March 2016	Gateway Three May 2016	Gateway Four August 2016
Place	▪ Agree the types of investments for inclusion ▪ Agree objectives / metrics for appraising performance, including secondary criteria to achieve balance ▪ Design economic modelling framework ▪ Agree instructions for working up individual potential interventions ▪ Define local funding sources "in play" (but not the level of contributions) ▪ Agree funding baselines with Central Government departments as part of place based 10-year settlement ▪ Agreement in principle subject to JSP and detail announced in SR	▪ Test modelling suite and sign-off that it is fit for purpose ▪ Sign-off on medium list of interventions and housing scenarios for JSP ▪ Agree funding scenarios to be developed	▪ Present prioritisation of individual interventions and housing propositions to the Strategic Leaders Board for strategic direction and decision making ▪ Refine package and JSP to ensure that programme minima are delivered at each funding scenario ▪ Agree PbR proposal to government	▪ Present final shortlist of "compliant" funding/JSP scenarios – i.e. those that maximise the lead metric and deliver the secondary criteria ▪ Decide on the level of local funding commitment ▪ Design the necessary delivery and governance reforms ▪ Agree terms of PbR Deal with government
People	▪ Participate in BIS area-based review ▪ Create expert 'Skills Reference Group' ▪ Secure agreement on priority skills outcomes and activities ▪ Work with BIS and DFE to identify an appropriate share of skills budgets ▪ Identify key data sharing requirements	▪ Design and model a devolved skills system to the Strategic Leaders Board for direction and decision making ▪ Work with the LEP and providers and colleges to influence their delivery programme for the following academic year (2016-2017) ▪ Data sharing agreement to more accurately track outcomes using enhanced Individual Learner Record (ILR)	▪ Launch a new incentive framework prototype linking adult skills funding to learner pathways and job outcomes in priority sectors – initially to cover a minimum of 25% of SFA and EFA budgets to be controlled locally ▪ Launch WoE Career Service	▪ Begin Monitoring of changes in delivery and uptake ▪ Formalise working arrangements into new governance structure ▪ Scope future changes in skills programme for following year