

A meeting of the

## **West of England Combined Authority Committee**

will be held on

**Date: Friday, 23 September 2022**

**Time: 1.00 pm**

**Place: Studio 2, Mshed, Princes Wharf, Wapping Rd, Bristol BS1 4RN**

Notice of this meeting is given to members of the West of England Combined Authority Committee as follows

Metro Mayor Dan Norris, West of England Combined Authority  
Cllr Kevin Guy, Bath & North East Somerset Council  
Mayor Marvin Rees, Bristol City Council  
Cllr Toby Savage, South Gloucestershire Council

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# West of England Combined Authority Committee Agenda

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- Inspect background papers used to prepare public reports for a period public reports for a period of up to four years from the date of the meeting. (A list of background papers to a report is given at the end of each report.) A background paper is a document on which the officer has relied in writing the report.
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To comply with the Data Protection Act 2018, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator.

## **1. WELCOME AND INTRODUCTIONS**

*The Metro Mayor to welcome everybody to the meeting. Attendees are requested to familiarise themselves with the evacuation procedure.*

## **2. APOLOGIES FOR ABSENCE**

*To receive any apologies for absence from Members.*

## **3. DECLARATIONS OF INTEREST UNDER THE LOCALISM ACTION 2011**

*Members who consider that they have an interest to declare are asked to: a) State the item number in which they have an interest, b) The nature of the interest, c) Whether the interest is a disclosable pecuniary interest, non-disclosable pecuniary interest or non-pecuniary interest. Any Member who is unsure about the above should seek advice from the Monitoring Officer prior to the meeting in order to expedite matters at the meeting itself.*

## **4. MINUTES**

7 - 26

*The minutes of the meetings held on 1 July 2022 and 29 July 2022 are attached. Members are requested to agree the minutes as a correct record of these meetings.*

## **5. CHAIR'S ANNOUNCEMENTS**

*To receive announcements from the Chair of the West of England Combined Authority.*

## **6. ITEMS FROM THE PUBLIC (QUESTIONS, STATEMENTS AND PETITIONS)**

*WRITTEN PUBLIC QUESTIONS (written procedure)*

- 1. Any member of the public can submit a maximum of two written questions in advance of this meeting.*
- 2. The deadline for the submission of questions is 5.00 pm, at least 3 clear working days ahead of a meeting. For this meeting, the deadline for questions is **5.00 pm on Monday 19 September 2022.***
- 3. Questions should be addressed to the Chair of the meeting and e-mailed to [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)*
- 4. Under the direction of the Chair, wherever possible, written replies to questions will be sent to questioners by the end of the working day prior to the meeting.*
- 5. Please note - under the Combined Authority's committee procedures, there is no opportunity for oral supplementary questions to be asked at committee meetings.*
- 6. The written questions and replies will be circulated to committee members in advance of the meeting and published on the Combined Authority website.*

### **PUBLIC STATEMENTS**

- 1. Any member of the public may submit a written statement (or petition) to this meeting.*
- 2. Please note that one statement per individual is permitted.*
- 3. Statements must be submitted in writing and received by the deadline of 12 noon on the working day before the meeting. For this meeting, the deadline for statements is **12 noon on Thursday 22 September 2022.** Statements should be emailed to [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)*

4. Statements will be listed for the meeting in the order of receipt. All statements will be sent to committee members in advance of the meeting and published on the Combined Authority website.

5. **Please note:**

If any member of the public wishes to attend the meeting to orally present their statement, they are asked please to notify the Combined Authority's Democratic Services team of this at the point when their statement is submitted and by 12 noon on the working day before the meeting at the very latest.

For those presenting their statements at the meeting, up to 3 minutes 'speaking time' is permitted for each statement. The total time available for the public session at this meeting is 30 minutes.

**7. COMMENTS FROM CHAIR OF LOCAL ENTERPRISE PARTNERSHIP BOARD**

To be presented by the Chair of the West of England Local Enterprise Partnership Board..

**8. COMMENTS FROM THE CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE**

The Chair of the Overview & Scrutiny Committee to report the views of that Committee.

**9. MOTIONS**

To receive any motions submitted for debate.

**10. INVESTMENT FUND PROGRAMME**

27 - 58

To update on the overall programme and headroom.

**11. INVESTMENT FUND DELIVERY ASSURANCE**

59 - 72

To review changes to schemes within the Investment Fund programme against the agreed delivery assurance principles

**12. INFRASTRUCTURE DIRECTORATE TRANSPORT UPDATE**

73 - 82

To secure approval from Committee on key decisions and associated funding (where applicable) related to projects within the Combined Authority's Infrastructure Directorate Transport Portfolio.

NB: Subsequent to the original publication of the report a couple of minor changes have been made to the paper. These are highlighted for ease of reference.

**13. GREEN RECOVERY FUND UPDATE**

83 - 116

The committee paper will provide an update on the Green Recovery Fund.

**14. UPDATE ON PROGRESS TOWARDS CLIMATE & ECOLOGICAL STRATEGY**

117 - 134

This report provides Committee with an update on progress towards tackling the climate and ecological emergency (in line with the requirements of the motion agreed in 2019, that an update would be provided every six months). The report provides an update on action since agreement of the Climate & Ecological Strategy & Action Plan in April 2022.

**15. WEST OF ENGLAND COMBINED AUTHORITY & MAYORAL FORECAST 2022/23**

135 - 148

This report presents the revenue budget financial forecast information for the West of England Combined Authority and the Mayoral budget for the financial year 2022/23

*based on data from the period April to July 2022.*

**16. HEADLINE ASSESSMENT ON INFLATIONARY PRESSURES & MITIGATIONS**

149 - 158

*The national fiscal and economic situation is an important consideration for the Combined Authority in setting and managing its revenue and capital budgets. This is work in progress and the Combined authority will need to continue this work and engage with our partner Unitary Authorities in this further work on a continuing basis. This report presents a headline assessment on the inflationary risks on that work to date, and mitigations given the significant economic and inflationary pressures our residents and business in the region and country are facing. This is the first stage of the process. An assessment has been completed for the Combined Authority programmes. The next stage will be to look at the programmes managed through UAs. Inflation and the potential recession are issues that will require quarterly updates to Committee for the foreseeable future.*

**17. COMBINED AUTHORITY INTERNAL APPROVALS**

159 - 164

*To secure approval from Committee for an update to the Combined Authority constitution internal approvals levels for project related financial spend and procurement contracts within approved allocated budgets. This is to improve the efficiency of how we process internal project related procurement contracts and payments. It does not impact operational or grant claims payments.*

**Next meeting: Friday, 27 January 2023**

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**DRAFT**  
**Minutes of the**  
**West of England Combined**  
**Authority Committee , Friday, 1 July**  
**2022**

Members:

Metro Mayor Dan Norris, West of England Combined Authority  
Cllr Kevin Guy, Bath & North East Somerset Council  
Mayor Marvin Rees, Bristol City Council  
Cllr Toby Savage, South Gloucestershire Council

1	<p><b>EVACUATION PROCEDURE</b></p> <p>The meeting was held at Midsomer Norton Town Hall. The evacuation procedure was read out.</p>
2	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>There were no apologies for absence received.</p>
3	<p><b>DECLARATIONS OF INTEREST UNDER THE LOCALISM ACTION 2011</b></p> <p>Cllr Toby Savage and Cllr Kevin Guy declared an interest in Item 9 (Motions) and indicated that they would leave the room during consideration of that item. Reason for interest: Cllr Savage was a member of the Avon Pension Fund Committee. Cllr Guy was an elected member for the administering authority Bath &amp; North East Somerset Council.</p>
4	<p><b>MINUTES</b></p> <p>The minutes of the meeting held on 8 April 2022 were agreed as a correct record and signed by the Chair.</p>
5	<p><b>CHAIR ANNOUNCEMENTS</b></p> <p>There were no Chair's announcements.</p>
6	<p><b>ITEMS FROM THE PUBLIC (QUESTIONS, STATEMENTS AND PETITIONS)</b></p> <p>Five questions had been submitted for this meeting and the responses to these questions had been circulated to the questioners and had been published on the Authority's website alongside the agenda papers.</p> <p>Eleven statements had been submitted in advance of the meeting and these statements had been published on the Authority's website alongside the agenda papers prior to the meeting.</p> <p>The following members of the public attended and addressed the meeting on the topic of their statement for up to three minutes each.</p> <ul style="list-style-type: none"> <li>• Cllr Claire Young – Transport Issues in South Gloucestershire (the statement had two accompanying petitions). A response to the petitions would be made available as soon as practicable.</li> </ul>
7	<p><b>COMMENTS FROM CHAIR OF LOCAL ENTERPRISE PARTNERSHIP</b></p> <p>The Chair of the Local Enterprise Partnership, Richard Bonner, attended the meeting and gave comments on the committee items on behalf of the LEP Board. These comments are summarised below:</p>



### **Investment Funds**

- We continue to face a period of significant uncertainty, in addition to the issues surrounding ongoing impacts of Covid and the situation in Ukraine, I note that inflation is expected to reach 10% by December 2022. Cost increases will have an effect across the region on our residents, businesses and public services.
- I welcome the Investment Fund paper and particularly support the recommendation to extend the Love Our High Streets programme until March 2023. High Streets play a key role in driving vibrancy in our communities, which is vital in ensuring residents feel pride in the places they live and work. We need to ensure the funding is available to help recover for the pandemic and /or deliver ambitious regeneration plans.
- QTIC – a facility of national / global significance and we are keen that the LEP are involved in the proposed review and assisting with informing any future decisions on changing to funding.

### **City Regional Sustainable Transport Settlement**

- LEP Board supports the notion to build momentum and ensure the successful execution of programmes that will drive growth and productivity through infrastructure investment and provide much better access for citizens to jobs and opportunities across the region.
- We are keen that they funds are delivered at pace, significant spend in the local economy in what could be challenging times ahead.
- We want the region to continue to be ambitious and that we continue to support investment in the foundations for ‘mass transit’ for the region. This investment cycle is laying foundations for a vibrant economy for the next 20/30 years.
- We continue to ask leaders to put Place before Party, and we hope colleagues continue to do that.

### **Bus Service Improvements Plan and Enhanced Partnership Scheme**

- We are delighted to see that the BSIP award coupled with the CRSTS will provide an exciting opportunity for the region to be ambitious in its approach to enhance the customer experience of public transport.

### **UKSPF & Multiply**

- Compared to some places, this is a relatively limited funding allocation. This is reflective of the Government’s approach to the levelling up agenda which fails to address local disparities of the kind experienced in the West of England. This limited funding allocation makes it all the more important that we take a strategic approach across the region to investment to maximise the impact on our priorities.
- The LEP Board have been engaged in the development of the emerging investment plan and fully support the proposed priority outcomes the plan will seek to deliver.

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**COMMENTS FROM CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE**

	<p>The Chair of the Authority’s Overview &amp; Scrutiny Committee, Cllr Winston Duguid, attended the meeting. The Overview &amp; Scrutiny Committee had met on Monday 27 June 2022 and considered the reports to be submitted to this meeting. Those comments had been published on the Authority’s website alongside the agenda papers and circulated in advance of the meeting.</p>
<p><b>9</b></p>	<p><b>MOTIONS</b></p> <p>Cllr Toby Savage and Cllr Kevin Guy declared an interest in this item, withdrew from the meeting and took no part in the discussion on this item. Nature of interest: Cllr Savage was a member of the Avon Pension Fund Committee. Cllr Guy was an elected member for the administering authority Bath &amp; North East Somerset Council. Prior to withdrawing Cllr Guy informed the meeting that only a very small percentage of investments (around 0.07%) lay with the top five gas and oil companies and only 1.4% was with fossil fuel companies as a whole (equating to around £86.6m) compared with around £1.4bn investment laying with sustainable companies aligned with the Paris Climate Emergency.</p> <p>The following motion had been submitted for debate by Metro Mayor Dan Norris:</p> <p><i>In light of the climate emergency and the West of England’s 2030 net zero target, the West of England Combined Authority calls on the Avon Pension scheme to match this ambition by committing to having a carbon neutral pension fund by 2030 or earlier; and to divest entirely from fossil fuel stocks.</i></p> <p>Due to two members of the Committee declaring an interest in this item and withdrawing the Monitoring Officer advised that the matter could not be resolved due to the meeting now being inquorate. This item was therefore unresolved. The Monitoring Officer advised that it may be possible to arrange a dispensation for the members in the future so that the matter could be debated but that this had not been possible to arrange in advance of this meeting.</p> <p>Metro Mayor Dan Norris stated that the Avon Pension Fund had indicated that they had limited power to make the changes. Mayor Marvin Rees suggested that the Committee meet with them to explore what flexibility there may be such as giving options to its members to align with local priorities.</p>
<p><b>10</b></p>	<p><b>INVESTMENT FUND PROGRAMME</b></p> <p>This report set out a series of recommendations to spend or return funding to the Investment Fund. The Metro Mayor stated that the measure of success was not allocating money to projects but delivering them so the report also made recommendations to ensure delays and how to mitigate them were discussed in public.</p> <p>The recommendations were proposed by Metro Mayor Dan Norris and seconded by Cllr Kevin Guy.</p>

Cllrs Savage and Guy welcomed the March 2023 window for the development and approval of projects seeking to draw on the balance of the Love Our High Streets programme allowing further regeneration where necessary and so that funds could be reallocated if necessary.

In respect of recommendation 6, Cllr Savage spoke in support stating that this would help deliver a key part of the CRSTS scheme. The Metro Mayor Dan Norris thanked officers for their work involved in the successful CRSTS bidding process. In respect to recommendation 7, Cllr Savage welcomed the chance to complete the Yate Spur walking and cycling route.

In respect to recommendation 13, Cllr Guy stated that this was important for supporting independent traders in Bath.

Cllr Savage moved an amendment to recommendation 14. He stated that the North Fringe Infrastructure project would facilitate the development of Brabazon Arena and timescales were tight and therefore it was important that technical work on the Business Case continued in order for the scheme to be delivered on time. The wording of this amendment was moved by Cllr Savage and seconded by Metro Mayor Dan Norris:

*“To approve the award of £400,000 to the development of the Full Business Case for the North Fringe Infrastructure Package with the allocation of full capital funding being deferred to September for decision as part of our strategic priorities.”*

Mayor Rees stated that he was keen that this important development continued and agreed that any delays may affect the value for money, the economy and supply chain.

Mayor Rees stated that he wished for all officers to be involved in the review of existing programme given the significant impact of inflation and the economic position on projects. He also asked that principles be set out to guide projects over the next few years, with more explicit references being made to certain projects such as Mass Transit, flood defence, and housing pressures. He felt that the commitments should be heavier now.

[The voting arrangements on this item were as follows: Decision required majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor]. The recommendations were unanimously agreed (including the amended recommendation 14).

The Combined Authority Committee **RESOLVED** to:

1. To agree the strategic objectives and investment principles for the investment programme set out in Appendix 2;
2. To agree a window until March 2023 for the development and approval of

projects seeking to draw on the balance of the Love Our High Streets programme, Land Acquisition Fund and Development Infrastructure Funds.

3. To approve the Outline Business Case for ISTART and delegate to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils:
  - a) the approval of funding for Phase 0 to a value of £1.443m and for completion by December 2023, subject to the supply of a detailed implementation plan for this phase.
  - b) the approval of up to £48k of additional funding to develop the full business case for Phase 1 subject to review of the success of Phase 0 outputs in Spring 2023.
4. To approve the Outline Business Case for Chew Valley Lake Recreational Trail (Southern Section) and the award of and the award of £150k to develop the Full Business Case by March 2023.
5. To delegate the approval of the Outline Business Case for the Old City and King Street Project, the award of £172k to develop the Full Business Case for approval in September, and the allocation of £1.655mm for delivery of the scheme to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils.
6. To approve the Outline Business Case for the A38 Multi-Modal Corridor and the award £393k from the Investment Fund to develop the Full Business Case for the Alveston Hill Cycleway by November 2022 and £2.03m through CRSTS to develop the Full Business Case for the remainder of the corridor by September 2023, with the allocation of a further £26.752m of CRSTS for the delivery of the scheme.
7. To delegate the approval of the Outline Business Case for the Yate Spur Phases 5 and 6 scheme, the award of £688k to develop the Full Business Case for approval in January 2023, and the allocation of £5.368m for delivery of the scheme to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils.
8. To delegate the approval of the Outline Business Case for the Bath Quays Walking and Cycling Routes, the award of £286k to develop the Full Business Case for approval in January 2023, and the allocation of £2.006m for delivery of the scheme to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils.
9. To delegate the approval of the Outline Business Case for the A432 Multi-Modal Corridor, the award of £1.887m to develop the Full Business Case by September 2023, and the allocation of £20.846m for delivery of the scheme to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils.
10. To approve the Feasibility and Development Funding applications and the

	<p>award of £100k for the Regional Cycle Hangers to develop a feasibility report by November 2022, and £289k for the Bristol Cycle Hangers project to develop a Full Business Case by January 2023.</p> <p>11. To approve the Feasibility and Development Funding application for the Bedminster Works at A38 and Whitehouse Lane and the award of £60k to develop a Full Business Case for consideration at the September Committee meeting.</p> <p>12. To approve Feasibility and Development Funding application for the Bristol to Hengrove Metrobus Extension Corridor and the award of £60k to develop an Outline Business Case by August 2022.</p> <p>13. To approve the Feasibility and Development Funding Application for the Bath Creative Quarter project and the award of £142,500 to develop feasibility reports by January 2023.</p> <p>14. To approve the award of £400,000 to the development of the Full Business Case for the North Fringe Infrastructure Package with the allocation of full capital funding being deferred to September for decision as part of our strategic priorities.</p> <p>15. Amend the approved capital programme for individual project approvals agreed at the April Committee and within this report.</p> <p>16. To agree the Delivery Assurance and Budgetary Principles and terms of reference for the Programme Review Board as set out in Appendix 3 and 4.</p> <p>17. To request officers to review the existing programme given the significant impact of inflation and the economic position on projects and report back to the September Committee on any implications.</p>
<p><b>11</b></p>	<p><b>INVESTMENT FUND - CHANGE REQUESTS</b></p> <p>This report set out requests for changes to already agreed projects in the Investment Fund. The recommendations were moved by Metro Mayor Dan Norris and seconded by Cllr Kevin Guy.</p> <p>Cllr Guy stated that he welcomed the regeneration opportunities in the centre of Bath and wanted to ensure the funding was secured for the Somer Valley Enterprise Zone in particular.</p> <p>Mayor Rees stated that QTick was fundamental to the regional economy and also an important aspect in the reputation of the region in Europe and elsewhere. Metro Mayor Dan Norris stated that the development in quantum computing may be a bigger development than the internet in the long run. This project would be revisited in the future in order that progress could be gauged.</p>

[Voting arrangements: Decision required majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor. The recommendation was unanimously agreed.

The Combined Authority Committee **RESOLVED** to:

approve the change requests for schemes within the current programme as set out in Appendix 1.

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## **CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT - DELIVERY MODEL**

Metro Mayor Dan Norris reminded the meeting that the region secured the biggest per head transport funding settlement in the country but now the schemes had to be delivered. This report set out delivery for the City Regional Sustainable Transport programme. The recommendations were moved by Metro Mayor Dan Norris and seconded by Cllr Toby Savage.

Cllr Savage welcomed the funding settlement and stated that this was vindication for the agreement for setting up the Combined Authority. He recommended that the delegations in the recommendations be to the Unitary Authority Chief Executives rather than the Directors of Infrastructure due to the sums of money involved. This would change the wording of recommendations 5,6,7 and 8. This was supported by Cllr Guy and Mayor Rees. Mayor Rees also asked that the A4 corridor be brought back into the Mass Transit Scheme.

[Voting arrangements: Decision required unanimous agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor]. The Monitoring Officer advised that due to the proposed changes to recommendations 5,6,7 and 8 not being supported by the Metro Mayor the recommendations would fall. A short adjournment was agreed and agreement was reached on alternative wording as below following advice from the Director of Infrastructure and Corporate Services. The recommendations (including revised recommendations 5,6,7 & 8) were unanimously agreed.

The Combined Authority Committee **RESOLVED** to:

1. to approve the Delivery Model principles to be developed for the CRSTS programme as set out in section 3.3 of the report.
2. to progress the procurement of a strategic programme delivery partner, in conjunction with a broad review of the Combined Authority organisational structure as set out in section 3.3 of the report.
3. to approve the pipeline and overprogramming list as set out in Table 2 for the CRSTS programme.

- 4. to allocate £450k for financial year 23/24 and £450k for financial year 24/25 from the CRSTS capacity fund (revenue) for continued capacity building within the UAs (£150k for each UA).
- 5. to delegate the responsibility for the maintenance challenge fund (£32m) and non-highway maintenance fund (£1m) to the Director of Infrastructure of the Combined Authority in consultation with the UAs Directors of Infrastructure. In the absence of unanimous agreement the delegation reverts to the Combined Authority Chief Executive in consultation with the Unitary Authority CEO's. There will be regular reporting on CRSTS as a standing item at the CEO's meetings.
- 6. A delegation sought for business case approvals for those projects within the CRSTS programme that are £6m and below to be delegated to the Director of Infrastructure of the Combined Authority in consultation with the UAs Directors of Infrastructure. In the absence of unanimous agreement the delegation reverts to the Combined Authority Chief Executive in consultation with the Unitary Authority CEO's. There will be regular reporting on CRSTS as a standing item at the CEO's meetings..
- 7. to agree to the allocation of £440k of CRSTS funding to the SGC and B&NES Liveable Neighbourhood projects to commence to OBC or FBC as required, and £150k to the SGC Bristol Bath Railway Path project FBC, and delegate the approval of the Feasibility and Development Application Form (FADF) forms to the Director of Infrastructure of the Combined Authority in consultation with the UAs Directors of Infrastructure. In the absence of unanimous agreement the delegation reverts to the Combined Authority Chief Executive in consultation with the Unitary Authority CEO's. There will be regular reporting on CRSTS as a standing item at the CEO's meetings.
- 8. to agree to the allocation of £300k CRSTS funding for the Bath Sustainable Walking and Cycling Links FBC and delegate the approval of the FADF form to Director of Infrastructure of the Combined Authority in consultation with the UAs Directors of Infrastructure. In the absence of unanimous agreement the delegation reverts to the Combined Authority Chief Executive in consultation with the Unitary Authority CEO's. There will be regular reporting on CRSTS as a standing item at the CEO's meetings.

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**BUS SERVICE IMPROVEMENT PLAN AND ENHANCED PARTNERSHIP SCHEME**

The Metro Mayor Dan Norris introduced the report and stated that the region achieved the second highest funding settlement nationwide for buses and that the report would help to achieve the delivery of these schemes.

Cllr Steve Bridger, Leader, North Somerset Council was invited to address the meeting on this item as the scheme related to North Somerset. He thanked officers for the work that had gone into achieving a successful bid. He welcomed the chance to work together as a region on this. He stated that the steer from government was on increasing patronage on buses through fare reduction although services needed to

be sustainable and reliable going forward to encourage passengers away from their cars and ensuring growth and stability in the network on the back of a strong fare offer.

The recommendations were moved by Metro Mayor Dan Norris and seconded by Cllr Kevin Guy. Cllr Guy suggested an amendment to the recommendations in line with the previous item to allow delegations to CEOs (recommendations 2, 3 & 4).

Mayor Rees stated that he wished to see a specific commitment for free bus fares for 18-25 year olds which would need the support of the Combined Authority. Metro Mayor Dan Norris stated that he could not give that specific commitment at the moment as the challenge was to get patronage levels up across all groups. Mayor Norris wanted to bid for extra money from the Government for this specific age group and was happy to keep having this discussion.

Cllr Savage stated that a protocol was needed to look at funding in its totality and all funding pots in the region be used towards a reliable bus service. Mayor Norris stated that he would follow this up.

[Voting arrangements: Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor]. The recommendations were unanimously agreed (including the revised recommendations 2, 3 & 4) with the exception of recommendation 1 which was for noting and therefore did not require a vote.

The Combined Authority Committee **RESOLVED** to:

1. notes the DfT indicative BSIP revenue funding allocation of £105.5m over a 3-year period, the second highest award in the country. The size of the BSIP award coupled with the more substantial City Region Sustainable Transport Settlement provides an exciting opportunity for us to be bold in how we generate a step change in all aspects of the bus customer experience.
2. That the Committee approves the current version of the draft EPP (**Appendix A**) which was submitted to government on 30 June subject to political sign-off and delegates to the Combined Authority Director of Infrastructure, in consultation with the relevant council directors, authority to approve the final EPP. In the absence of unanimous agreement the delegation reverts to the Combined Authority Chief Executive in consultation with the Unitary Authority CEO's.
3. That the Committee delegates to the Combined Authority Director of Infrastructure, in consultation with North Somerset Council, authority to determine any matters required by the DfT in relation to the final funding agreement, including any changes to the spend profile in Appendix B. In the absence of unanimous agreement the delegation reverts to the Combined Authority Chief Executive in consultation with the Unitary Authority CEO's.
4. That the Committee delegates to the Combined Authority Director of



	<p>Infrastructure and Director of Investment and Corporate Services, in consultation with North Somerset Council, authority to spend against the BSIP delivery programme within the funding allocation from the DfT. In the absence of unanimous agreement the delegation reverts to the Combined Authority Chief Executive in consultation with the Unitary Authority CEO's.</p>
<p><b>14</b></p>	<p><b>UKSPF &amp; MULTIPLY</b></p> <p>The Metro Mayor stated that this report was about boosting adult numeracy skills and helping people to get the training they needed to progress in or into work. The focus proposed for investment would help play a role in helping local communities deal with the cost of living crisis.</p> <p>Mayor Rees wanted to ensure that the money was pushed straight to the UAs and not top-sliced for any purpose.</p> <p>The recommendations were moved by Metro Mayor Dan Norris and seconded by Cllr Savage.</p> <p>[Voting Arrangements: Decision required majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor]. The recommendation was agreed unanimously.</p> <p>The Combined Authority Committee <b>RESOLVED</b> to:</p> <p>Delegate decisions on spending the £13,795,332 West of England UKSPF allocation (with £3,608,467 ring fenced for Multiply) against priority regional outcomes set out below and agreed in the Investment Plans for UKSPF and Multiply, to the Combined Authority CEO in consultation with the CEOs of the constituent authorities.</p>
<p><b>15</b></p>	<p><b>WEST OF ENGLAND COMBINED AUTHORITY AND MAYORAL BUDGET OUTTURN REPORT</b></p> <p>This report asked the committee to note the latest revenue budget outturn report for 2021/22 and requests an approval of reserves to the general fund. The recommendations were moved by Metro Mayor Dan Norris and seconded by Cllr Toby Savage. Councillor Savage moved an amendment for recommendation 3 &amp; 5.</p> <p><i>Amendment moved to replace recommendations 3 &amp; 5 moved by Cllr Savage.</i></p> <p><i>Approve the allocation of £699k from the 2021/22 Treasury Management surplus and £87k from the 2021/22 net revenue surplus to the Integrated Transport Authority specific one-off bus earmarked reserve, to invest in further support to regional bus services to protect routes particularly in rural areas and other communities not well served by public transport.</i></p>

Cllr Savage stated that this amendment was part of the commitment to ‘strain every sinew’ in protecting bus services which he believed was the agreement at a previous meeting.

The Metro Mayor asked for a short adjournment in order that this matter could be discussed with his officers. Upon resumption of the meeting the Metro Mayor stated that he did not agree with the proposed amendments and asked the Interim Director of Investment and Corporate Services to explain the situation of the Authority’s reserves. The Director stated that the reserves were currently short of the figures agreed in the Reserves Policy and stated that with the uncertain economic situation coming forward he did not recommend that the Committee agree the amendment.

Cllr Savage stated that he understood the policy on reserves but reiterated that it felt it had been agreed that all possible resource would be used for the bus services. He was therefore not minded to withdraw his amendment. Cllr Guy seconded the amendment and stated that rather than have reserves there was a need for investment now. The Metro Mayor stated that all the available bus reserves monies were being used for bus services.

The amendment was voted upon with three in favour (Mayor Rees, Cllr Savage and Cllr Guy) and one against (Metro Mayor Dan Norris). Therefore the amendment was not carried and the meeting moved to voting on the substantive motion.

[Voting arrangements: Voting Arrangements: Items 1 - 4: None required – Recommendations were for noting purposes. Item 5: Decision required a majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor.] Recommendation 5 was agreed with one vote for (Metro Mayor Dan Norris) and three abstentions (Cllr Savage, Cllr Guy and Mayor Rees).

The Combined Authority Committee **RESOLVED** to:

1. Note the Mayoral Fund forecasted revenue outturn as detailed in Appendix 1;
2. Note the Combined Authority forecasted revenue outturn as detailed in Appendix 2;
3. Note the allocation of £699k from the 2021/22 Treasury Management surplus to the specific Treasury Management Earmarked Reserve (as agreed at the January 2022 Committee).
4. Note the transfer of £1,347k, being the net end of year surplus in Integrated Transport activities, to an Integrated Transport Authority Specific One-Off Bus Earmarked Reserve to invest in further support to regional bus services to protect routes, particularly in rural areas and other communities not well served by public transport, during 2022/23 (as agreed at the January 2022 Committee).
5. Approve the transfer of £87k from the 2021/22 net revenue surplus into the

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**TREASURY MANAGEMENT OUTTURN REPORT 2021-22**

The Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice requires the Authority to approve a Treasury Management Strategy before the start of each financial year, review performance during the year, and approve an annual report after the end of each financial year. This report provided a review of performance to 31st March 2022.

The recommendations were moved by Metro Mayor Dan Norris and seconded by both Cllr Guy and Cllr Savage.

[Voting arrangements: No voting required as the recommendation was to note the position]. There was unanimous agreement.

The Combined Authority Committee **RESOLVED** to:

- a) Note the Treasury Management Outturn Report to 31st March 2022, prepared in accordance with the CIPFA Treasury Code of Practice.
- b) Note the Treasury Management Indicators to 31st March 2022.

**Signed:**

**Date:**

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# **DRAFT**

## **Minutes of the West of England Combined Authority Committee Extraordinary Meeting, Friday, 29 July 2022**

### Members:

Metro Mayor Dan Norris, West of England Combined Authority  
Cllr Kevin Guy, Bath & North East Somerset Council (not present, sent substitute)  
Cllr Toby Savage, South Gloucestershire Council (not present, sent substitute)  
Mayor Marvin Rees, Bristol City Council (not present, sent substitute)

Richard Bonner, Chair of the Local Enterprise Partnership (non-voting member of the Committee)

1	<p><b>EVACUATION PROCEDURE</b></p> <p>The meeting was held at Ashton Gate Stadium and the evacuation procedure was noted. The Chair welcomed everybody to the meeting and thanked attendees for their attendance at short notice. The meeting was streamed on the Authority’s youtube channel.</p>
2	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>Apologies for absence were received from Mayor Marvin Rees (Cllr Don Alexander attended as substitute), Cllr Toby Savage (Cllr Steve Reade attended as substitute) and Cllr Kevin Guy (Cllr Tim Ball attended as a substitute).</p> <p>Also present were Richard Bonner, Chair of the West of England Local Enterprise Partnership and Cllr Huw James (North Somerset Council) on behalf of the Chair of the Overview &amp; Scrutiny Committee, Cllr Winston Duguid who had sent his apologies.</p>
3	<p><b>DECLARATIONS OF INTEREST UNDER THE LOCALISM ACTION 2011</b></p> <p>There were no declarations of interest declared.</p>
4	<p><b>CHAIR’S ANNOUNCEMENTS</b></p> <p>There were no announcements from the Chair.</p>
5	<p><b>ITEMS FROM THE PUBLIC (STATEMENTS, QUESTIONS AND PETITIONS)</b></p> <p>Due to the meeting being an extraordinary meeting called at short notice only questions and statements relating to the topic under discussion had been accepted. Two questions had been received from one individual for this meeting. The questions and responses had been published on the Authority’s website.</p> <p>Two statements had been received prior to the submission deadline. A third statement was received under the discretion of the Chair due to the late notice of the meeting. The statements were made available on the Authority’s website.</p> <p>The following members of the public attended the meeting and addressed the meeting for up to three minutes each:</p> <ol style="list-style-type: none"> <li>1. Christina Biggs;</li> <li>2. David Redgewell;</li> <li>3. Dave Chillistone</li> </ol> <p>The Chair also invited the Leader of North Somerset Council, Cllr Steve Bridger, to address the meeting. His points are summarised below:</p> <ul style="list-style-type: none"> <li>• He thanked the Mayor for calling the meeting on this important issue;</li> <li>• He stated that the issue had become more complex in recent years and welcomed the jointly promoted scheme. He thanked the Combined Authority, officers at both North Somerset Council and the Combined Authority, Network Rail and the DfT;</li> <li>• The initial funding had been secured in 2017 and he welcomed the further commitments which was a big moment in the project.</li> </ul>
6	<p><b>COMMENTS FROM CHAIR OF LOCAL ENTERPRISE PARTNERSHIP</b></p>

Richard Bonner, the Chair of the West of England Local Enterprise Partnership was invited to address the meeting and made the following statement:

### **Portishead Line Investment**

We are pleased to see that we have an opportunity to move the delivery of the Metro West 1 Portishead Line another step closer, with a decision today by the Combined Authority to match the additional funding being offered by both Government and North Somerset Council.

MetroWest 1 (Portishead Line) will transform rail access and connectivity between Bristol and Portishead and the surrounding area, whilst significantly contributing to addressing the unsustainable highway congestion where the M5 dissects the A369 east of Portishead at junction 19.

Building upon other public transport schemes implemented in recent years, such as MetroBus, the scheme is another step towards achieving the West of England region's transport vision of having a well-connected network that works for all. The MetroWest Phase 1 scheme strongly aligns with national priorities, by improving connectivity to support economic growth, tackling deprivation and encouraging the use of lower carbon transport modes. The scheme is deliverable in a relatively short timescale, helping the city region to build a better, greener and more accessible future in a timely manner.

We note that the value engineering has identified some areas of scope reduction, and we hope that officers can provide future flexibility to reinstate features such as extended platforms as part of any future business case for investment.

### **Strategic Intent**

We have been successful in recent times at securing a significant CRSTS settlement, but we want to see ongoing clear long term strategic planning, that will enable us to bring forward investible propositions for future CRSTS rounds 2 / 3 and beyond. It would be great to see a 10-15 year time horizon on investment pipeline.

To deliver the infrastructure that we need, to tackle the inequalities that exist in our neighbourhoods, that deliver the jobs and housing, and help to decarbonise our transport systems. We would like to be able to engage and support long term visioning and strategic thinking that delivers a regional housing plan, shapes our mass transit proposal, creates an investible proposition for tackling flooding and climate adaptations, and creates a roadmap of investment and delivery that business can support and work with to make this the thriving region we all want.

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### **COMMENTS FROM THE CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE**

Cllr Huw James addressed the meeting on behalf of the West of England Combined Authority. His comments are summarised below:

- The Overview & Scrutiny Committee had been consistent in its comments during its oversight of this issue, e.g. had been supportive of the Portishead Line project and hoped that the Authority would approve the additional funding;
- The O&S Ctte also welcomed the agreement between the DfT, the Combined Authority and North Somerset Council, particularly the willingness of the DfT to act as guarantor for future slippage and inflation costs upon approval of the final business case;
- He stated that 5 car trains may still be able to operate as they did at other stations with 3-car length platforms and this was a scope item that could be added at a later date. Councillors had also supported the idea of using a public-private partnership to provide station facilities if this can help fund these facilities;
- Scrutiny had also been indicated in the past their support of the wider Wyndham Way study area to explore multimodal transport around the heart of Portishead.
- He also welcomed the assurances that the line would be fully wheelchair accessible;
- Cllr James stated that this project showed the strength of the West of England Partnership as North Somerset Council could not have delivered this on its own and had required patience, diplomacy and advocacy from the local authorities, the Combined Authority and local MPs.

**8 METROWEST 1 (PORTISHEAD LINE)**

Metro Mayor Dan Norris introduced the report on Metrowest 1 (Portishead Line). He stated that he was delighted that there was some good news to report on the Bristol to Portishead railway line.

He stated that the Authority had secured £15.5m of government cash after considerable efforts from both the West of England Combined Authority and North Somerset Council.

He said that if the £10m was agreed then that was all the remaining funding needed to finish the design and the building and construction work to re-open the railway line. He proposed the recommendations.

The recommendations were seconded by Cllr Don Alexander.

Cllr Alexander stated that the investment was welcomed by Bristol City Council and would provide a fast link between Portishead and south Bristol and would help towards meeting ambitious net zero targets and was one of the key schemes that would help transform travel in the region, giving people access to jobs and sustainable economic growth. It may also help to open up opportunities for a station around Ashton Gate in the future. He welcomed that the DfT was taking on the risks with inflation on the increase. Whilst the re-opening of the station was not expected to reopen until December 2024 the public could now be confident that the project would now be delivered.

Cllr Reade stated that South Gloucestershire Council supported the recommendations. The reopening of the line could be expected to help drive down car dependency, whilst not penalising car ownership and helping work towards carbon neutrality targets. Whilst the report focussed on Metrowest 1 (Portishead Line) he asked that focus on Metrowest 2 and stations adjacent to the development at the old Filton Airfield were kept in sight otherwise those areas may end up with increased congestion. He asked that a report setting out the Metrowest project as a whole be brought to a future committee as the issues identified in Phase 1 had the potential to be replicated in Phase 2. He asked that the land that would have been used was given some sort of safeguarding provision.



	<p>Cllr Ball stated that Bath &amp; North East Somerset Council supported the recommendations. He felt it was important to get the rail network back together as part of the Mass Transit solution to reduce pollution across the whole area. He hoped other stations would be opened in the future at Ashton Gate, Saltford and Corsham.</p> <ul style="list-style-type: none"><li>• Voting arrangements: Decision required majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor.</li></ul> <p>Upon being put to the vote it was unanimously</p> <p><b>Agreed:</b> That the West of England Combined Authority approve the allocation of a further £10m of funding for MetroWest 1 (Portishead Line) from the Investment and Transforming Cities Funds.</p> <p>The Metro Mayor thanked everybody for attending the meeting at short notice.</p>
	<p><b>Signed:</b></p>  <p><b>Date:</b></p>

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## ITEM 10

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY**

**DATE: 23 September 2022**

**REPORT TITLE: INVESTMENT FUND PROGRAMME**

**DIRECTOR: RICHARD ENNIS, DIRECTOR OF INVESTMENT AND CORPORATE SERVICES**

**AUTHOR: PETE DAVIS, HEAD OF GRANT MANAGEMENT AND ASSURANCE**

### **Purpose of Report**

1. To update on the overall programme and headroom.

### **Recommendations:**

#### **The Committee is asked to:**

1. To approve the Full Business Case for the Hengrove Park Enabling Infrastructure project and the award of £19.83m for the period to 24/25.
2. To approve the Strategic Outline Business Case for the Milsom Quarter project and the award of £2.475m for the period to 24/25.
3. To approve the Outline Business Case for the Albion Dock project and the allocation of up to £5m within the programme, subject to Full Business Case submission by March 2024, value for money and evidential certainty on growth in visitor numbers, and the scheme being fully funded.
4. To approve the Feasibility and Development Funding Application for Western Harbour Feasibility and the award of £279k to produce a Strategic Outline Business Case by November 2022.

5. **To approve the Feasibility and Development Funding Application for the Bristol Harbour Place Shaping Strategy and the award of £283k to produce the Strategy by summer 2023**
6. **Amend the approved capital programme for individual project approvals agreed at the July Committee and within this report.**

### **Voting arrangements**

Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor.

### **Background**

2. As reported to the Committee in January, in order to re-establish a five year programme, the time horizon for the Investment Fund programme has been extended by a further three years to March 2026. The total funding over the period to March 2026 amounts to £450m including overprogramming of some £40m (10% of funds unspent). The £450m of Combined Authority funding available up to March 2026 is made up of:

- £30m of Investment Fund per annum x 10 years (16/17 to 25/26) £300m
- Transforming Cities Funding (to be spent by March 2023) £103m
- One year succession to Local Growth Funding for 21/22 £7.4m
- Structured over-programming of delivery against spend £39.6m

### **Investment Fund Headroom**

3. With the approvals made at the Combined Authority Committee meetings in July the headroom within the £450m Investment Fund programme to 25/26 stands at **£42.0m**. A summary of all the approved and allocated funding across the Investment Fund and Transforming Cities Fund (TCF) is shown in Appendix 1 and is summarised in Figure 1, which includes the approvals proposed to this Committee. The changes through the approvals included in this report or elsewhere on the agenda are summarised in Figure 2.
4. As set out elsewhere on this agenda, an analysis has been undertaken of the potential impact of inflation on the Investment Fund programme. This has identified a potential impact of between £7m and £19.5m based on low, medium and high impact scenarios, with the medium point being £11.6m. It is therefore proposed that an allowance of **£11.6m** is made within the programme from the headroom, to manage scheme cost increases that cannot be mitigated. The level of this provision to be kept under review and reported back to Committee, alongside any requests to drawdown these funds.

### **Transforming Cities Fund**

5. The Transforming Cities Fund element (£103m) of the Investment Fund programme has a hard end date for spend of March 2023. Discussion with the Department for Transport (DfT) to date suggest there is unlikely to be an

extension to this date. The recent Homes England funding for Bristol Temple Meads Eastern Entrance, replacing planned TCF spend of £23.6m has exacerbated the challenge to spend all funds by this deadline. A number of measures have been put in place to maximise TCF spend this year including identifying readily deliverable schemes, or elements within wider projects, and funding swops with the Economic Development Fund, such as the £4m for the Cribbs Patchway MetroBus Extension approved in July. However, based on current forecasts, an expected TCF underspend in the region of £25m is anticipated, which would reduce the overall funding available and the headroom in the programme. Work continues to seek to mitigate this risk including a line by line review to minimise underspend, exploring opportunities for further funding swops between programmes, and dialogue with the DfT is also ongoing.

6. A summary of the balances and spend this year for the Transforming Cities Fund, the Investment Fund and the City Region Sustainable Transport Settlement (CRSTS) are shown in the table below. For the Investment Fund this just shows the period to 25/26, to align with the current investment period (as set out in paragraph 3 above).

<b>Fund</b>	<b>Available Balance to March 23</b>	<b>Spend to Q1</b>	<b>Further Funding</b>
TCF	£80m	£43m	-
Investment Fund	£210m	£72m	£90m 23/24-25/26
CRSTS	£108m	£6m	£432m 23/24-26/27

Notes: The £540m CRSTS programme includes the final year of funding through the TCF programme. The Investment Fund total includes the capital and revenue elements, but the CRSTS includes only the capital and not the capacity funding

**Figure 1: Summary of Investment Programme to 2026 by Priority Theme**

Funding Awards and Allocations £000s	July 2022	Sep 2022
<b><i>Transport Infrastructure</i></b>		
Approved Awards and Allocations	146,246	151,439
Associated 'tail' required to deliver all projects up to March 2026	22,854	17,611
<b>Total Investment in Transport Infrastructure</b>	<b>169,100</b>	<b>169,050</b>
<b><i>Housing, High Streets and Green Infrastructure</i></b>		
Approved Awards and Allocations	76,950	80,018
Associated 'tail' required to deliver all projects up to March 2026	719	719
<b>Total Investment in Housing Infrastructure</b>	<b>77,669</b>	<b>80,736</b>
<b><i>Business and Skills</i></b>		
Approved Awards and Allocations	124,349	130,315
Associated 'tail' required to deliver all projects up to March 2026	18,029	18,029
<b>Total Investment in Business and Skills Infrastructure</b>	<b>142,378</b>	<b>148,344</b>
<b><i>Leverage Match Fund / Other</i></b>		
Funding put aside to respond to external funding opportunities	<b>9,061</b>	<b>9,061</b>
Approved CA set up, operating costs and elections up to 2026	<b>9,768</b>	<b>9,768</b>
Provision for Inflation	-	<b>11,600</b>
Headroom	<b>42,024</b>	<b>21,441</b>
<b>Total Investment Programme up to March 2026</b>	<b>450,000</b>	<b>450,000</b>

**Figure 2: Summary of Funding Approvals at this Committee**

Para	Project/Programme	Amount (£000's)	Change to Headroom (£000's)	Headroom Balance (m)
Position including decisions at the July Committee				£42.0m
4	Provision for inflation	11,600	-11,600	£30.4m
9	Regional Low Carbon Delivery Programme	4,995	-995	£29.4m
9	Other Green Recovery Fund projects	5,642	-	£29.4m
9	Bristol Bridge Signals Junction and Car Park VMS Project	645	-	£29.4m
9	Bus Stop Upgrades	5,000	-	£29.4m
9	Bedminster Green Highway Improvements Project	4,070	-	£29.4m
9	Hengrove Park Enabling Infrastructure	19,831	-31	£29.4m
10	Milsom Quarter	2,475	-2,475	£29.9m
10	Albion Dock	5,000	-5,000	£24.9m
10	Western Harbour Feasibility	279	-279	£21.7m
10	Bristol Harbour Place Shaping Strategy	283	-283	£21.4m
11	Existing Project Change Requests	79	+79	£21.4m

### Regional Investment Priorities

- At the Committee meeting in July, a set of strategic objectives and priority outcomes were approved, which alongside agreed investment principles, will support the identification of a regional investment programme for the next 10-15 years. It is planned to report the outcome of the review of priorities to the Committee in January.

### Sub-Funds

- At the Committee meeting in July it was agreed to create a window until the end of the financial year to enable any proposals to come forward seeking to access the balance of the Love Our High Streets programme, Land Acquisition Fund and Development Infrastructure Fund. No proposals have come forward for

consideration at this Committee, although South Gloucestershire Council are developing a business case to seek to draw on the remaining Love Our High Streets (LOHS) funding for consideration by Committee in January. This LOHS proposal is to undertake public realm improvements on Hanham High Street including improved paving, cycle infrastructure, and trees, shrubbery, and planters with integrated seating. This will be alongside some areas of refurbishment and enhanced signage and wayfinding.

### **Business Case and Applications Seeking to Draw on Existing Allocations**

9. A number of business cases and applications have been submitted seeking approval at this Committee. These projects will fall within the delivery assurance principles set out above. Together the following projects seek to draw on a total of some £40.2m from existing Investment Fund allocations.

- **Green Recovery Fund (GRF)** – a number of decisions are recommended in the GRF report which will draw on this allocation as set out below:
  - **Regional Low Carbon Delivery Programme** – a [Full Business Case](#) submission for a package of measures to support the electrification of energy use, including decarbonised heating, alongside energy demand reduction and renewable energy generation. The project seeks £4.995m from the GRF against the previous allocation within the GRF of £4m. On the basis of not drawing on other allocations within the GRF at this time, which themselves are expected to be fully subscribed, it is rather proposed to accommodate this increase from the Investment Fund headroom adding to the GRF overall.
  - **Nature Recovery funding round** - it is proposed that five projects are funded to a total of £3.24m.
  - **Renewable Energy funding round** – it is proposed that three projects are funded to a total of £2.07m.
  - **Local Nature Recovery Strategy** – a funding application for £330k.

With these awards which total £10.6m, the balance of the GRF (including the additional £995k) stands at £13.7m.

- **Bristol Bridge Signals Junction and Car Park VMS Project** – as set out in the transport update report on this agenda, as part of the proposals to improve public transport, walking, cycling and public realm on the A37/A4018 corridor, an opportunity has arisen to bring forward a [Full Business Case](#) to enable some early delivery which would support TCF spend this year. The project, promoted by Bristol City Council, has two components: cycle infrastructure improvements and traffic signal replacements at Bristol Bridge; and the replacement of four Variable Message Signs (VMS) in the city centre. The overall cost of the scheme is £2.393m of which £645k is to be met from TCF and the balance of £1.748m from CRSTS. The £645k can be met from



the allocation for transport infrastructure. The scheme will be delivered by September 2023.

- **Bus Stop Upgrades** – as set out in the transport update report, a package of bus stop upgrades is proposed as a readily deliverable scheme to utilise the time limited Transforming Cities Fund. A total of ten bus stops will be upgraded three of which sit on the A38 corridor in South Gloucestershire and the other seven in Bath. A [Full Business Case](#) has been prepared which is being finalised. Given the time critical nature of the delivery, a delegation for the approval of the Full Business Case is sought from the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils. The cost of the scheme is £560k which can be accommodated from the TCF within the allocation in the programme for transport Infrastructure. A further allocation, bringing the total up to £5m is proposed to enable the delivery of further bus stop upgrades by March 2023 to utilise TCF funding. This can be accommodated within the funding for the Bristol Temple Meads Eastern Entrance.
- **Bedminster Green Highway Improvements Project** – as set out in the transport report, as part of the Bristol to Hengrove Metrobus extension scheme under CRSTS, a [Full Business Case](#) has been produced by Bristol City Council to support early delivery and assist CRSTS spend. The package of measures proposed includes new continuous inbound bus lane along Malago Road/Dalby Avenue, new segregated cycle route on Whitehouse Lane, connecting the existing Malago Greenway and Filwood Greenway cycle routes, upgrading cycling (parking and signage) and walking provision (wider footways, crossings, and pedestrian priority). The cost of the scheme is £10.389m of which £4.07m is to be met from TCF and the balance of £6.319m to be met from CRSTS. The £4.07m can be met from the remainder of the allocation for transport infrastructure and from Bristol Temple Meads Eastern Entrance funding. The scheme will be delivered by April 2025.
- **Hengrove Park Enabling Infrastructure** – the Outline Business Case for this project was approved at the Committee meeting in December 2020 at which time an allocation of £19.8m was included within the programme. This scheme sought funding through the Development Infrastructure Fund and £5m of the funding is to be repaid. The Full Business Case has now been produced by the City Council. This reflects the revised delivery model now proposed to bring forward the site and the delivery of 1,435 home scheme, of which 50% will be affordable homes, which also includes a 22 hectare public park, together with community, sport, retail, commercial and office facilities. The Assessment Summary Table is shown in Appendix 3 and the Full Business Case is published on the Combined Authority [website](#).

*Recommendation to approve the Full Business Case for the Hengrove Park Enabling Infrastructure and the award of £19.83m for the period to 24/25.*

## Projects Seeking to Draw on the Headroom

10. The following project have presented business cases or development funding applications seeking to draw on the Investment Fund headroom:
  - **Milsom Quarter, Bath** – a Strategic Outline Business Case has been submitted by Bath & North East Somerset Council seeking £2.475m of feasibility and development funding to progress the design of a package of interventions in the Milsom Quarter area including Broad Street Yards; Walcot Gateway; the Fashion Museum; public realm improvements; and energy and sustainability measures. Due to the scale of the funding ask, a business case has been produced this time to provide further detail and context for the overall strategy for Milsom Quarter and expected outcomes. At a later stage, Full Business Cases will be submitted as required for Broad Street Yards and the Public Realm improvements, whilst other projects have alternative funding sources for delivery and or are commercially viable once enabling works have been undertaken. As only at Strategic Outline Business Case stage no provision for delivery funding is made within the programme. The Assessment Summary Table is shown in Appendix 4 and the Strategic Outline Business Case is published on the Combined Authority [website](#).

*Recommendation to approve the Strategic Outline Business Case for the Milsom Quarter project and the award of £2.475m for the period to 24/25.*

**Albion Dock Project** – an [Outline Business Case](#) has been submitted by the SS Great Britain Trust for the Albion Dock project which would see the expansion of the Trust's operations with the incorporation of the historic Albion Dock, adjacent to the existing dockyard. This would provide a home for the paddle steamer Great Western linked to an extended tourist, education and skills offer. The scheme aligns with the 'Enhanced support for existing cultural and heritage institutions that form our distinct cultural offer' priority outcome, within the strategic objectives agreed at the Committee in July. Funding of £10m is requested towards the overall £20m cost, with £4.3m secured in principle from the National Lottery Heritage Fund (NLHF). The project will require planning consent, which is expected in December 2023, with a final decision on the NHLF expected in January 2024. It is proposed that a conditional allocation of £5m from the Investment Fund is made, on the basis that the Trust can secure additional match funding.

*Recommendation to approve the Outline Business Case for the Albion Dock project and the allocation of up to £5m within the programme, subject to Full Business Case submission by March 2024, value for money and evidential certainty on growth in visitor numbers, and the scheme being fully funded.*

- **Western Harbour Feasibility Funding** – building on the previous award of £155k for the Western Harbour Place Shaping Vision, a [funding application](#) has been produced by Bristol City Council seeking £279k from the Investment Fund, matched funded by £78k from the City Council, to

undertake further feasibility work. This would enable the production of a Strategic Outline Business Case by November 2022, which will inform the development of the Bristol Local Plan, area specific planning documents and the consequent masterplan will support the delivery of essential new homes, jobs and infrastructure. No allocation for funding for the ultimate delivery of the project is included in the programme.

*Recommendation to approve the Feasibility and Development Funding Application for Western Harbour Feasibility and the award of £279k to produce a Strategic Outline Business Case by November 2022.*

- **Bristol Harbour Place Shaping Strategy** – building on technical studies to identify the current opportunities, constraints/challenges within Bristol's Harbour, it has been identified there is a pressing need to develop a Place Shaping Strategy for the Harbourside to identify how the area can connect and support the planned growth at Temple Quarter, City Centre and Western Harbour whilst simultaneously enhancing the harbour as a regionally significant visitor destination. On this basis, a [funding application](#) has been submitted by the City Council seeking £283k from the Investment Fund, match funded by £130k from the Council, to produce a Harbour Place Shaping Strategy by summer 2023.

*Recommendation to approve the Feasibility and Development Funding Application for the Bristol Harbour Place Shaping Strategy and the award of £283k to produce the Strategy by summer 2023.*

11. The following changes to allocations will also impact on the headroom:

- **Workforce for the Future** – an additional £71k sought to align staff resources with the project end date for audit and closure of March 2023.
- **Cribbs Patchway New Neighbourhood Cycle Links** – project delivered £150k under budget.

Together these four projects would add £79k to the headroom bringing the total available to **£21.4m**.

### **Capital Monitor**

12. The budget forecast for the Combined Authority and Mayoral capital programme is summarised in Appendix 2 which shows the budget profile and outturn expenditure incurred this year.

*Recommendation to amend the approved capital programme for individual project approvals agreed at the July Committee and within this report.*

### **Delegated Decisions**

13. The following decisions related to funding through previously agreed Investment Fund allocations have been taken since the last report:

- **Regional Recovery and Adaptions Fund**

At the Committee meeting in April a further £5m was added to the Regional Recovery and Adaptions Fund and the approval of applications or business cases was delegated to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils.

**Business Start Up School** – a £500k programme which will create a package of support and development for pre-start and early formation tech/digital businesses and will onboard a minimum of 180 ‘Start School’ places. Delivered by a consortium of the four universities of the West of England, the programme seeks to build resilient start-ups and address market failures in business support for this specialist cohort of businesses. The Assessment Summary Table is shown in Appendix 5 and the Full Business Case is published on the Combined Authority [website](#).

- **Retrofit Accelerator** – at the Committee meeting in April the Outline Business Case for the Retrofit Accelerator was approved with an allocation of £3m. The project aims to create a single point of contact and support network for homeowners across the region who want to retrofit their property. The [Full Business Case](#) for this project was approved in July through the granted delegation to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils.
- **Old City and King Street** – at the Committee meeting in July the approval of the Outline Business Case for the Old City and King Street project was delegated to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils. The project involves a package of interventions in the Old City and King Street area of central Bristol. Supported by Traffic Regulation Orders to reallocate roadspace for walking, cycling and placemaking, proposed measures include new and upgraded crossing points, improved footways, a contra flow cycle lane and cycle parking. The overall scheme cost is £2.172m which includes a total of £516k of development funding awarded. The Outline Business Case was approved through the agreed delegation in August. There is also a delegation granted at the July Committee to approve the Full Business Case for this project on the grounds of urgency. The Assessment Summary Table is shown in Appendix 6.

## Consultation

18. Engagement has taken place with officers in the West of England Combined Authority Constituent Unitary Authorities. Section 151 Officers across the region have been fully engaged as have the Chief Executive Officers in helping to inform the prioritised projects for investment.

## **Other Options Considered**

19. All Business Case are required to set out in detail the full range of options considered and the reason the preferred option has been identified.

## **Risk Management/Assessment**

20. Specific risk assessments will be carried out as part of any feasibility studies for projects in development and business cases are required to set out the way that risks will be managed and a risk register. All projects underway will maintain a specific risk register as part of the project management and monitoring arrangements.
21. Financial risks are managed through the process for considering cost increases as set out in the Combined Authority Investment Strategy. The overall Investment Fund and Transforming Cities Fund programme will be regularly reviewed.

## **Public Sector Equality Duties**

22. The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
  - Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.
23. The Act explains that having due regard for advancing equality involves:
  - Removing or minimising disadvantages suffered by people due to their protected characteristics.
  - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
  - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
24. The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.
25. For projects seeking funding through the Investment Fund scheme promoters are required to include as part of their Full Business Case, an equality and diversity assessment and plan. These assessments are published as part of the Business Case on the Combined Authority website.

## **Finance Implications, including economic impact assessment where appropriate**

26. The financial implications for each proposal are set out in the body of the report. The Investment Fund allocations and awards are accommodated within the overall spending limit of £450m available up to March 2026.
27. The Combined Authority statutory chief finance officer will determine the appropriate use and apportionment of funding between the Transforming Cities Fund and Investment Fund within the overall funding available.
28. Supporting economic growth is central to this funding stream, and promoters are required to include an economic case within the FBC for each scheme which sets out how the project will create jobs and GVA growth as well as delivering wider benefits. In line with agreed processes these FBCs are published on the Combined Authority website at the point of decision making.

Advice given by: Richard Ennis, Interim Director of Investment and Corporate Resources

## **Legal Implications**

29. There are no additional legal implications arising from this report. Legality will be verified for individual projects through relevant due diligence prior to approving formal allocations.

Advice given by: Stephen Gerrard, Interim Monitoring Officer, West of England Combined Authority

## **Climate Change Implications**

30. On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- The emission of climate changing gases?
- The region's resilience to the effects of climate change?
- Consumption of non-renewable resources?
- Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/ consideration as necessary as part of their detailed project-specific management arrangements.

31. Each business case coming forward for decision on inclusion in the Investment Fund programme includes consideration of environmental sustainability which sets out how sustainability is being considered in the development of the project as well as during its operational stage.

### **Land /Property Implications**

32. All land and property implications are set out within the specific business cases and dealt with by scheme promoters.

Advice given by: Richard Ennis, Interim Director of Investment and Corporate Resources

### **Human Resources Implications**

33. There are no direct human resource implications arising from this report.

### **Appendices:**

Appendix 1 - Investment Fund Programme

Appendix 2 - Capital Budget Forecast for 2022/23

Appendix 3 - Hengrove Park Enabling Infrastructure Assessment Summary Table

Appendix 4 - Milsom Quarter, Bath Assessment Summary Table

Appendix 5 - Business Start Up School Assessment Summary Table

Appendix 6 - Old City and King Street Assessment Summary Table

### **West of England Combined Authority Contact:**

Report Author	Contact Details
Richard Ennis – Interim Director of Investment & Corporate Services	DirectorInvestmentandCorporate@westofengland-ca.gov.uk

## Appendix 1

### Transport Infrastructure Projects – Awards and Allocations to 25/26 (£000s)

	Jul 2022	Sep 2022
<b>Feasibility Studies</b>		
A420 to Bath Highway Improvements	200	200
Bristol Temple Meads Masterplan	2,000	2,000
Winterbourne/Frampton Cotterell Bypass and Coalpit Heath/Westerleigh Bypass Study	413	413
Regional Operations Capability – Phase 1	75	75
Strategic Rail Investment	250	250
Improving Access to Bath from the East	200	200
10 Year Rail Delivery Plan Scheme Development	470	470
Bus Service Improvement Plan and Enhanced Partnership	537	537
East Bristol Mini-Holland	79	79
<b>Business Case Development</b>		
MetroWest Phase 2	11,203	11,203
Charfield Station	4,123	4,123
MetroWest Phase 1	15,860	15,860
New Public Transport	3,361	3,361
Integrated Smart Ticketing	300	300
Local Cycling & Walking Infrastructure	100	100
Manvers Street Regeneration	250	250
Bus Infrastructure Programme and Park & Ride	4,150	4,150
North Fringe Public Infrastructure Package	750	750
Bristol to Bath A4 Strategic Corridor	2,372	2,372
Bath Quays Bridge Cycle/Pedestrian links	170	170
Bath University Walking & Cycle routes	80	80
Old City and King Street	344	516
St George Liveable Neighbourhood	428	428
Strategic Cycle Route - Thornbury to A38 via Alveston	125	125
Strategic Cycle Route - Yate to East Fringe (Yate Spur)	125	125
Fieldings Bridge	50	50
Bath Road – Keynsham	62	62
Silver Street/Fosseway walking route	62	62
City Centre to Weston Cycle route	62	62
Concorde Way / Dovercourt Depot	400	400
Thornbury – Grovesend / Gillingstool (Phase 2)	100	100
Ring Road – Filton to MOD	145	145



Keynsham Road to Bitton	145	145
Electric Vehicles Charging Strategy	100	200
A37/A367 Sustainable Transport Corridor	500	500
Access for All Step Free Station Proposals Phases 1 and 2	500	500
Hengrove Metrobus Extension Corridor	60	60
Bedminster Works at A38 and Whitehouse Lane	60	60
Regional Cycle Hangers	100	100
Bristol Cycle Hangers	289	289
Alveston Hill Cycleway	393	393

<b>Schemes in Delivery</b>		
Real Time Information System Upgrade	559	559
Lockleaze Sustainable Transport Improvements	3,915	3,915
Cribbs Patchway Cycle Links	3,006	2,856
Cribbs Patchway MetroBus Extension	26,151	26,151
Integrated Transport Authority Functions	1,000	1,000
On-Bus Contactless Bank Card Payment	416	416
Wraxall Road Roundabout Improvements	6,887	6,887
Future Transport Zone*	3,655	3,655
Bristol Temple Meads Eastern Entrance	23,648	19,175
Yate A432 Park and Ride	4,651	4,651
On Bus Tap On, Tap Off	1,200	1,200
Metrobus Consolidation	1,828	1,828
A4 Portway Park & Ride Expansion	942	942
Access for All Mid-Tier	468	468
Bristol Bridge Signals Junction and Car Park VMS Project	-	645
Bedminster Green Highway Improvements Project	-	4,070

<b>Allocations</b>		
King Street/Old City, Bath Quays Bridge Cycle/Pedestrian Links and Yate Spur delegations	9,760	9,588
Bus Stop Upgrades	-	5,000

<b>Completed Projects</b>		
	<b>7,169</b>	<b>7,169</b>
<b>Total of all Awards and Allocations:</b>	<b>146,246</b>	<b>151,439</b>
<b>Associated 'Tail' for Approved Schemes in Development</b>	<b>22,854</b>	<b>17,611</b>
<b>Total</b>	<b>169,100</b>	<b>169,050</b>

Note: \* Excludes DfT funding of £24.366m

**Housing, High Streets and Green Infrastructure Projects – Awards and Allocations to 25/26 (£000s)**

	Jul 22	Sep 22
<b>Feasibility Studies</b>		
B&NES Pilot High Streets Programme	250	250
Bedminster High Street Improvement	275	275
Kingswood High Street Improvements	322	322
Strategic Planning Shared Evidence Base	5,750	5,750
OPE8 Housing Enabling Fund	500	500
<b>Business Case Development</b>		
Masterplanning: business case development	275	275
Masterplanning: North Fringe of Bristol	500	500
Masterplanning: South West Bristol	500	500
Masterplanning: Brislington and North Keynsham	250	250
Green Infrastructure	300	300
Milsom Quarter Masterplan	434	434
East Fringe Masterplan (including Junction 18a)	310	310
Sevenside Masterplan	270	270
Parkway Station Masterplan	320	320
Frome Gateway and Bristol City Centre Delivery Plans	800	800
Western Harbour Place Shaping Vision	155	Complete
Thornbury High Street	200	200
HREF – South Gloucestershire Council Capacity	750	750
Temple Quarter Infrastructure Programme	2,226	2,226
B&NES Housing and Regeneration Enabling Fund	750	750
B&NES Strategic Masterplanning	1,345	1,345
Development of the strategic evidence base to inform Spatial Plan Making	900	900
Bristol Avon Flood Strategy	482	482
Chew Valley Lake Recreational Trail (Northern Section)	150	150
Bath Creative Quarter	145	145
Milsom Quarter	-	2,475
<b>Schemes in Delivery</b>		
Whitfield Tabernacle Stabilisation Works	682	682
Chew Valley Lake Recreational Trail (Southern Section)	1,133	1,133
North Keynsham Land Acquisition Fund	5,975	5,975
Bath City Centre High Streets Renewal Project	1,235	1,235

Bristol City Centre & High Streets Recovery & Renewal	2,920	2,920
Bottle Yard Studios - Hawkfield Business Park	11,953	11,953
Kingswood Regeneration Project	3,560	3,560
Thornbury Hospital (Land Acquisition Fund)	3,806	3,806
Common Connections	999	999
Midsomer Norton High Street Market Square	895	895
Bath Local Centres High Street Improvement Scheme	295	295
Hengrove Park Enabling Works	19,800	19,831

<b><i>Allocations</i></b>		
Love Our High Streets	396	396
Land Acquisition Fund	219	219
Development Infrastructure Fund	3,018	3,018
LAF and DIF Repayments**	-8,297	-8,297
<b><i>Completed Projects</i></b>	<b>10,203</b>	<b>10,358</b>

<b>Total of all Awards and Allocations:</b>	<b>76,950</b>	<b>79,456</b>
<b>Associated 'Tail' for Approved Schemes in Development</b>	<b>719</b>	<b>719</b>
<b>Total</b>	<b>77,669</b>	<b>80,175</b>

Note: \* Excludes repayment element, to be included post Full Business Case approval.  
\*\* Includes Bath Riverside. Bottle Yard Studios - Hawkfield Business Park to be included.

## Business and Skills Projects – Awards and Allocations to 25/26 (£000s)

	Jul 22	Sep 22
<b>Feasibility Studies</b>		
Visitor Economy/Regional Tourism	100	100
Cultural Strategy	60	60
CEIAG Research and Improvement Project	50	50
Building Employment and Enterprise Skills	20	20
Local CEIAG Action Research Activities	20	20
5G Logistics	179	179
Jobs Connect	200	200
West of England Post-16 Education and Skills Estate Analysis	50	50
SEND Careers Information and Guidance Collaboration Pilot	20	20
Age All Advice Centre Pilot	336	336
HGV Driver Training Project	220	220
Cultural Compact Start-Up Investment	270	270
High Streets Strategic Review	25	25
Climate Emergency and Capacity	-	536
Local Nature Recovery Strategy	-	330
<b>Business Case Development</b>		
Somer Valley Enterprise Zone and Infrastructure	1,510	1,510
Quantum Technologies Innovation Centre+	34,974	34,974
Energy Strategy Action Planning / Climate Change Planning	250	250
I-START	850	850
The Coach House BAME Enterprise Hub	97	97
West of England Visitor Economy Recovery Project	254	254
Bath River Line - Bristol Bath Railway Path Extension	75	75
High Street Renewal Catalyst Fund	660	660
<b>Schemes in Delivery</b>		
Realising Talent	499	499
South West Institute of Future Technology	500	500
Business Innovation Fund	242	242
Workforce for the Future	4,100	4,179
WE Work for Everyone	1,300	1,300
Future Bright Plus	3,600	3,600
South Bristol Enterprise Support	483	483

Centre for Digital Engineering Technology & Innovation	5,000	5,000
LIS Productivity Challenge Delivery Programme	3,557	3,557
South Bristol Workspace	5,172	5,172
Reboot West	720	720
Low Carbon Challenge Fund Extension	2,243	2,243
Innovation for Renewal and Opportunity	6,717	6,717
Small Business Resilience Grant Programme	837	837
Culture and Creative Economy Recovery Fund	2,000	2,000
Digital Skills Investment Programme	2,000	2,000
Careers Hub and Enterprise Adviser Network 21/22	217	217
Community Support Fund	1,500	1,500
Bath River Line Phase 1	1,198	1,198
Community Pollinator Fund	1,458	1,458
Careers Hub 22/23-24/25	810	810
Business Growth and Adaptions Fund	1,500	1,500
Business Start Up School	-	500
Retrofit Accelerator	3,000	3,000
Regional Low Carbon Delivery Programme	-	4,995
GRF Nature Recovery Bidding Round	-	3,242
GRF Renewable Energy Bidding Round	-	2,069

<b><i>Allocations</i></b>		
Green Recovery Fund	23,417	13,675
Retrofit Set Up Programme	200	200
Economic Recovery Measures	9,135	8,099
I-START	1,491	1,491
Albion Dock	-	5,000

<b><i>Completed Projects</i></b>	<b>1,234</b>	<b>1,234</b>
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<b>Total of all Awards and Allocations:</b>	<b>124,349</b>	<b>130,315</b>
<b>Associated Tail for Schemes in Development</b>	<b>18,029</b>	<b>18,029</b>
<b>Total</b>	<b>142,378</b>	<b>148,344</b>

## Appendix 2

### Combined Authority and Mayoral Capital Programme 2022/23

	22/23	22/23	22/23	23/24	24/25	25/26+	TOTAL
£'000	Original budget	Current budget	YTD spend	Profile	Profile	Profile	Profile
<b>WECA Capital - IF</b>							
Cribbs Patchway Metrobus Extension	0	4,000	1,532			0	4,000
CPNN Cycle Links (post FBC/ Delivery)	216	178	0			0	178
On Bus Contactless Payment	62	62	1			0	62
Wraxall Road	161	145	0			0	145
Quantum Technologies Innovation Centre+	8,501	8,501	0	16,487	7,986	1,937	34,911
Whitfield Tabernacle Kingswood (Love Our High Streets)	0	14	0			0	14
Thornbury Hospital	35	169	0			0	169
South Bristol Industrial Light Workspace	4,434	4,434	0	492		0	4,926
Metrowest phase 2 (construction & operation)	843	2,883	490	5,932	0	0	8,815
Yate A432 Park & Ride	0	206	0			0	206
Low Carbon Challenge Fund Extension	1,320	1,338	0			0	1,338
Bottle Yard Studios - Hawkfield Business Park	4,185	4,185	0			0	4,185
St George Liveable Neighbourhood	50	272	0			0	272
Bath City Centre High Streets Renewal Project	452	452	0	248	207	136	1,043
North Keynsham Land Acquisition Fund	0	448	0			0	448
Fielding's Bridge	50	50	0			0	50
Bath Road, Keynsham	62	62	0			0	62
Silver Street/ Fosseway Walking Route	62	62	0			0	62
City Centre to Weston Cycle route, Bath	62	62	0			0	62
Concorde Way / Dovercourt Depot	350	350	0			0	350
Grovesend Road - Gillingstool	80	80	0			0	80
Filton to MoD	125	125	0			0	125
Keynsham Road	130	130	0			0	130
Common Connections	66	66	0	182	238	50	536
Bath Riverline Phase 1	1,048	1,048	0	0	0	0	1,048
Portway Park and Ride	922	922	0	0		0	922
Somer Valley to Bristol and Bath	500	500	0	0		0	500
MetroBus Consolidation Package Capital	1,828	1,828	80			0	1,828
Tap on Tap off	0	739	0			0	739
Midsomer Norton High Street Market Square Project	0	735	0	65		0	800
LOHS Bath Local Centres	0	25	0	17	2	0	44
Business Growth and Adaptations Fund	0	967	0	33	13	0	1,013
Bristol to Hengrove Metrobus extension – Bedminster works	0	60	0	0		0	60
Step Free Stations	0	250	0	211		0	461
Bristol Cycle Hangars	0	289	0			0	289
Bristol to Hengrove Metrobus extension – OBC	0	60	0			0	60
Somr Valley Enterprise Zone	0	816	0			0	816
	<b>25,544</b>	<b>36,513</b>	<b>2,103</b>	<b>23,667</b>	<b>8,446</b>	<b>2,123</b>	<b>70,749</b>
<b>WECA Capital – other</b>							
FTZ DfT funding to the capital programme	9,221	9,221	573	13,075			22,296
DfT Active Travel Fund to the capital programme	5,789	5,789	0				5,789
City Region Sustainable Transport Settlement (CRSTS)	0	1,780	0	13,540	38,600		53,920
ERDF	984	984	28				984
Bristol Temple Meads Eastern Entrance (Homes England)	4,590	4,590	267	9,556			14,146
	<b>20,584</b>	<b>22,363</b>	<b>868</b>	<b>36,171</b>	<b>38,600</b>	<b>0</b>	<b>97,134</b>
Mayoral Capital							
Highways and Transport Grants	25,000	25,000	8,333	25,000	25,000	50,000	125,000
	<b>25,000</b>	<b>25,000</b>	<b>8,333</b>	<b>25,000</b>	<b>25,000</b>	<b>50,000</b>	<b>125,000</b>
<b>Grand Total</b>	<b>71,128</b>	<b>83,877</b>	<b>11,304</b>	<b>84,838</b>	<b>72,046</b>	<b>52,123</b>	<b>292,884</b>

### Appendix 3 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
<b>Project Name</b>	Hengrove Park Enabling Works	<b>Strategic Case</b>	<p>Hengrove Park, a strategically important housing-led development on council-owned land in South Bristol which will deliver up to 1,435 new homes of which 50% will be affordable housing.</p> <p>Bristol City Council have a long-term objective to transform South Bristol by creating defined areas of regeneration as well as wholesale improvements across the wider area. South Bristol has been identified in the Bristol Core Strategy as an area that will be a 'primary focus for development and comprehensive regeneration'.</p> <p>The Site is allocated within the Site Allocations and Development Management Local Plan and aligns with the Councils Corporate Strategy.</p> <p>The funding would deliver a package of enabling infrastructure to support the delivery of the development.</p>	<b>Funding Source(s)</b>	Investment Fund
<b>Scheme Promoter</b>	Bristol City Council	<b>Subsidy Control</b>	<p>Advice has been provided by the City Council which sets out how the subsidy control principles will be met. The Combined Authority accepts this noting the risk of challenge sits with the City Council</p>	<b>Approval Requested</b>	Full Business Case

<b>Date of Submission</b>	22/7/22	<b>Economic Case and Value for Money</b>	<p>The estimates of potential economic impacts that could be generated through the proposed development have been presented in Net Present Value terms over the 25-year appraisal period, adopting a 3.5% discount rate and factoring in optimism bias.</p> <p>Using this methodology presents a BCR of 1.7:1 for the public sector costs, which increases to 2.3:1 excluding the £5m to be repaid.</p> <p>A letter has been provided by the BCC s151 officer confirming approval of the business case and the value for money statement.</p>	<b>Grant Award</b>	£19,830,987
<b>Funding Requested</b>	£19.83m (profiled £1.96m 22/23, £7.59m 23/24, and £10.28 m 24/25)				
<b>Total Scheme Cost</b>	£72.96m for all infrastructure costs	<b>Risk</b>	<p>A contingency allowance of £20% has been included in the costings together with inflationary provision of 10%.</p> <p>A risk register has been provided which includes the key risks.</p> <p>The Council have committed to repay £5m of the funding with repayment over the period 27/28 to 29/30.</p>	<b>Grant Recipient</b>	Bristol City Council
<b>Match Funding %</b>	-	<b>Delivery</b>	<p>The Council has secured an Outline Planning Consent for the site. The land is in Council ownership, and they are seeking vacant possession from a number of existing users who currently hold leases from the Council.</p> <p>The redevelopment of Hengrove Park will be led by Goram Homes, the Council's wholly-owned Local Housing Company.</p> <p>It is planned to complete the highway junction works in January 2035 with the Park Phase 1 and Plot B completion following in 2026.</p>	<b>Payment Basis</b>	Quarterly in arrears on defrayed expenditure



<b><i>Scheme Description</i></b>	<b><i>Recommendation to WECA Committee</i></b>	Approval of the Full Business Case
<p>Hengrove Park will deliver up to 1,435 new homes of which 50% will be affordable housing. The redevelopment will also deliver a 22-hectare public park, community, sport, retail, commercial and office facilities. employment and educational facilities.</p> <p>It us planned that at least 50% of the homes across the entire site using Modern Methods of Construction.</p>	<b><i>Conditions of Approval</i></b>	None

**Record of Approval**

<b><i>Combined Authority S73 Officer</i></b>		<b><i>West of England Combined Authority Chief Executives</i></b>	
<b><i>Name</i></b>	Richard Ennis	<b><i>Date of Meeting</i></b>	23 September 2022
<b><i>Date</i></b>		<b><i>Decision</i></b>	

## Appendix 4 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
<b>Project Name</b>	Milsom Quarter, Bath	<b>Strategic Case</b>	<p>The Milsom Quarter Masterplan seeks to regenerate the northern part of Bath city centre, which in recent years has seen a significant decline in retail demand with reduced footfall in the area and increased empty retail units. This decline had been accelerated by Covid 19.</p> <p>The Council is a major landowner within Milsom Quarter and plans to use its public sector assets to create opportunities for change and will lead the redevelopment of the area.</p> <p>This Strategic Outline Business Case identifies a package of 5 interventions and serves the dual purpose of seeking funding to develop these elements through design whilst providing the strategic context for this investment. The additional detail beyond that included in a Feasibility and Development Funding Application is useful, although as an SOBC this does not yet make the detailed case for the specific projects which would trigger a funding allocation as would be expected at Outline Business Case.</p>	<b>Funding Source(s)</b>	Investment Fund
<b>Scheme Promoter</b>	Bath and North East Somerset Council	<b>Subsidy Control</b>	The project seeks funding for development work. Subsidy control implications to be set out in any future business case(s) for scheme delivery.	<b>Approval Requested</b>	Strategic Outline Business Case

<b>Date of Submission</b>	22/7/22	<b>Economic Case and Value for Money</b>	<p>The economic case focuses on Land Value Uplift (LVU) as the key measure of benefit for land/property related projects alongside Gross Value Added (GVA) impacts as the key measure of productivity benefits associated with the new Fashion Museum.</p> <p>Noting the early development stage, the ultimate schemes are forecast to deliver £51m of benefits against a cost of £32m with a BCR of 1.6. No benefits have been monetised for the sustainability and net zero intervention.</p> <p>The project is expected to deliver 88 FTE jobs and 80 new homes.</p> <p>The economic appraisal to be updated in any further business case(s) for the individual elements.</p> <p>A letter has been provided by the B&amp;NES S151 officer confirming approval of the business case and the value for money statement</p>	<b>Grant Award</b>	£2.475m
<b>Funding Requested</b>	<p>£2.475m revenue (£1.667m) and capital (£809k) profiled £270k 22/23, £1.629m 23/24 and £576 24/25)</p>				
<b>Total Scheme Cost</b>	<p>£2.475m (External Fees £1.255m; Internal Fess £400k; Surveys £535k; Other £285k)</p>	<b>Risk</b>	<p>Allowance of £225k (10%) for contingency has been included in the costings.</p> <p>A detailed risk register has been provided which identifies the risks for the project.</p>	<b>Grant Recipient</b>	B&NES
<b>Match Funding %</b>	0%	<b>Delivery</b>	<p>B&amp;NES are seeking alternative funding sources to deliver the Fashion Museum including a Round 2 Levelling Up Funding application.</p> <p>It is planned that the project will conclude in December 2024.</p>	<b>Payment Basis</b>	Quarterly in arrears on expenditure incurred

<b><i>Scheme Description</i></b>	<b><i>Recommendation to the Combined Authority Committee</i></b>	Approval of the Strategic Outline Business Case
<p>The project has five key elements:</p> <ul style="list-style-type: none"> <li>• <b>Broad Street Yards</b> - Redeveloping the Broad St car park to create a mix of maker space and flexible workspace, supported by small scale retail and food/beverage uses. Funding for the concept scheme design to RIBA Stage 3 and submission of a planning application.</li> <li>• <b>Walcot Gateway</b> - Redevelop the Cattlemarket site and Corn Market building to provide a 70 unit housing-led development and improved public realm. Funding to carry out survey work and develop the concept design to RIBA Stage 2.</li> <li>• <b>Fashion Museum</b> - To relocate the Fashion Museum in Milsom Street Core, to act as a cultural attractor, increasing footfall, dwell times and visitor spend. Funding to develop existing concept scheme design to Full Business Case.</li> <li>• <b>Public Realm Improvement</b> - Works to reduce the dominance of cars, increase sustainable accessibility, connectivity and permeability, and increase green infrastructure. Funding requested to develop existing concept scheme design to FBC.</li> <li>• <b>Energy and Sustainability</b> - Funding to develop the energy and sustainability strategy.</li> </ul>	<b><i>Conditions of Approval</i></b>	None

**Record of Approval**

<b><i>Combined Authority S73 Officer</i></b>		<b><i>West of England Combined Authority Chief Executives</i></b>	
<b><i>Name</i></b>	Richard Ennis	<b><i>Date of Meeting</i></b>	23 September 2022
<b><i>Date</i></b>		<b><i>Decision</i></b>	
<b><i>Signature</i></b>			

## Appendix 5 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
<b>Project Name</b>	<b>Business Start School</b>	<b>Strategic Case</b>	<p>This programme aims to create a package of support and development for pre-start and early formation tech/digital businesses and will onboard a minimum of 180 'Start School' places. Delivered by a consortium of the four universities of the West of England, the programme seeks to build resilient start-ups and address market failures in business support for this specialist cohort of businesses.</p> <p>The programme aligns with the West of England Recovery Plan (2020) pillar to 'Rebuild business' and falls within the West of England Recovery and Adaptations Fund. It will also contribute to the West of England Combined Authority Business Plan 2022 -2023 objective of 'Securing decent jobs and training'.</p> <p>The programme will target opportunities to address diversity including community organisations with existing, active networks within disadvantaged neighbourhoods or demographics with low engagement in existing incubation/innovation/tech sectors.</p>	<b>Funding Source(s)</b>	Investment Fund
<b>Scheme Promoter</b>	West of England Combined Authority	<b>Subsidy Control</b>	Any financial support will utilise TCA Agreement Clause 3.2 (4) which can award subsidy aid below the level of 325,000 Special Drawing Rights (£344,600) over a three year period.	<b>Approval Requested</b>	Full Business Case

<b>Date of Submission</b>	9/7/22	<b>Economic Case and Value for Money</b>	<p>The programme expects to onboard a minimum of 180 'Start School' places, with an expected 80% completion rate, culminating in 150 finishes. Of those 150, it is expected that at least 80% will form businesses following the activity (120 new business starts), of which 40 of these will enter onto the University Bursaries, leaving 80 business.</p> <p>Applying average survival rates to the 80 businesses, gives 72 still trading after 12 months, equating to 90 FTEs. For those receiving bursaries it is assumed all will survive for 12 months giving 60 FTE.</p> <p>Applying additionality factors to these respective segments gives 68 net FTE overall and applying average GVA and a multiplier of 1.5 yields GVA of £5.93m. When compared to the cost this equates to a ratio of 6.3:1.</p> <p>A letter has been provided by the Combined Authority Director of Business and Skills confirming approval of the business case and the value for money statement</p>	<b>Grant Award</b>	£500,000
<b>Funding Requested</b>	£500k revenue (profiled £159k 22/23, £315k 23/24 and £26k 24/25)				
<b>Total Scheme Cost</b>	£947k (Staff & Venues £136k; Bursaries £430k; Programme Management and Evaluation £209k; Other Costs £172k)	<b>Risk</b>	<p>There is no specific allocation for contingency in the costings.</p> <p>A risk register has been provided which identifies 8 key risks for the project.</p>	<b>Grant Recipient</b>	N/A
<b>Match Funding %</b>	47%	<b>Delivery</b>	<p>Match funding of £447k will be provided by the four academic institutions which has been confirmed.</p> <p>It is planned to start delivery in September 2022 and for the programme to conclude in January 2025.</p>	<b>Payment Basis</b>	N/A

<b><i>Scheme Description</i></b>	<b><i>Recommendation to the Combined Authority Committee</i></b>	Approval of the Full Business Case
<p>The programme aims to provide tech/digital start-ups with the best possible, relevant support, driving growth in industries that will underpin the future economy. The approach will have multiple stages to impact and engage the broadest range of potential participants, guiding those with greater potential for success towards later stages of support, namely:</p> <p>Stage 1 - Developed with community organisations there will be programme activity delivered by consortia and regional organisations (in partnership with Growth Hub) to attract applications from entrepreneurs to the programme.</p> <p>Stage 2: Entrepreneurial Engagement - A quarterly 'Start School' will deliver 28 hours of intensive training spread over six sessions. Participants will, via pre-testing, be matched into groups with complementary skill sets to develop peer support networks and work with people at different starting stages.</p>	<b><i>Conditions of Approval</i></b>	None

**Record of Approval**

<b><i>Combined Authority S73 Officer</i></b>		<b><i>West of England Combined Authority Chief Executives</i></b>	
<b><i>Name</i></b>	Richard Ennis	<b><i>Date of Meeting</i></b>	4 August 2022
<b><i>Date</i></b>		<b><i>Decision</i></b>	Approval of the Full Business Case
<b><i>Signature</i></b>			

## Appendix 6 - Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
<b>Project Name</b>	Old City and King Street	<b>Strategic Case</b>	<p>The Old City and King Street are key destinations in the city but suffer from poor accessibility and connectivity. By improving the public realm and streetscape and providing infrastructure which supports an increase in sustainable trips, the project aims to maximise the area's potential, creating a more accessible and pleasant environment for residents and visitors.</p> <p>The improvements proposed are linked to policy and strategic aims in the area, including the City Centre Framework which references the Old City as a core development area for the uplift of public realm and active travel infrastructure.</p>	<b>Funding Source(s)</b>	Investment Fund
<b>Scheme Promoter</b>	Bristol City Council	<b>Subsidy Control</b>	The scheme is not economic in nature.	<b>Approval Requested</b>	Outline Business Case



<b>Date of Submission</b>	28/7/22	<b>Economic Case and Value for Money</b>	<p>The core scenario presents a BCR of 6.41, which represents very high value for money. This would be uplifted by including increased walking and cycling levels.</p> <p>A letter has been provided by the BCC S151 officer confirming approval of the business case and the value for money statement.</p>	<b>Grant Award</b>	£172,245 to develop the Full Business Case
<b>Funding Requested</b>	£172,245 profiled in 22/23				
<b>Total Scheme Cost</b>	£2,171,708 (including £516,245 development costs and £1,655,463 implementation costs)	<b>Risk</b>	<p>A Quantified Risk Assessment has been undertaken and an allowance of £396k has been allowed for risk and £137k for inflation.</p> <p>The programme is driven by the desire to fully spend in 22/23 in line with Transforming Cities Fund deadlines and appears tight.</p>	<b>Grant Recipient</b>	BCC
<b>Match Funding %</b>	0%	<b>Delivery</b>	<p>All the work within this project is Permitted Development on adopted highway and therefore has no dependencies relating to land acquisition or planning. A Traffic Regulation Order is required, making permanent the existing TTRO, which will be completed in September 2022 in the Old City and King Street.</p> <p>Full Business Case approval is expected in November 2023. It is planned to then start on site in January 2023 and for the works to be complete in March 2023</p>	<b>Payment Basis</b>	Quarterly in arrears on expenditure incurred

<b><i>Scheme Description</i></b>	<b><i>Recommendation to the Chief Executives</i></b>	Approval of the Outline Business Case
Planned measures include: <ul style="list-style-type: none"> <li>• Traffic regulation orders (TRO) in the Old City and on King Street to remove through traffic.</li> <li>• Dropped kerbs and tactile paving to improve accessibility in the Old City.</li> <li>• Upgrade Puffin crossings on Baldwin Street to give pedestrians more priority.</li> <li>• Additional seating on Baldwin Street.</li> <li>• Transport improvements on Queen Charlotte Street comprising of continuous footways on the west side, a new crossing over Crow Lane, a contraflow cycle lane on the east side, a raised table linking King Street, footway widening and improved kerbside activity space for loading and disabled access.</li> <li>• Continue the south-bound cycle lane on Nelson Street to connect to Quay Street by St John's Arch.</li> <li>• Improvements on King Street comprising of additional cycle parking at each end, bollards to reinforce the TRO, removal of trip hazards and connecting footways over King William Street and the private access on the north side.</li> </ul>	<b><i>Conditions of Approval</i></b>	None

**Record of Approval**

<b><i>Combined Authority S73 Officer</i></b>		<b><i>West of England Combined Authority Chief Executives</i></b>	
<b><i>Name</i></b>		<b><i>Date of Meeting</i></b>	18 August 2022
<b><i>Date</i></b>		<b><i>Decision</i></b>	Approval of the Outline Business Case
<b><i>Signature</i></b>			



## ITEM 11

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY**

**DATE: 23 SEPTEMBER 2022**

**REPORT TITLE: INVESTMENT FUND DELIVERY ASSURANCE**

**DIRECTOR: RICHARD ENNIS, DIRECTOR OF INVESTMENT AND CORPORATE SERVICES**

**AUTHOR: PETE DAVIS, HEAD OF GRANT MANAGEMENT AND ASSURANCE**

### **Purpose of Report**

1. To review changes to schemes within the Investment Fund programme against the agreed delivery assurance principles

### **Recommendations:**

#### **The Committee is asked:**

- 1) To approve the change requests for schemes within the current programme as set out in Appendix 1.
- 2) To approve the change requests for schemes within the current programme as set out in Appendix 2, subject to review and endorsement by the Programme Review Board.
- 3) To delegate the approval of the updated Full Business Case for QTIC+ and formalising a set of staged payments linked to delivery of the project to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils.

### **Voting arrangements**

Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor.

## Delivery Assurance and Budgetary Principles

2. The Combined Authority Committee agreed to delegate approval of changes within stated tolerances for schemes within the approved Investment Fund programme to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils. The changes which fall outside of these tolerances require a Committee decision.
3. At the Combined Authority Committee meeting in July a set of delivery assurance and budgetary principles were agreed to drive the delivery of projects and good practice. Key to the application of these principles is the establishment of a Programme Review Board comprising the Combined and Unitary Authority S73/S151 officers and Directors. This Board will oversee overall programme management and identify and agree which projects require review and support to improve delivery, provide overall strategic direction for the recovery of the project, help to resolve conflicts and manage risks, and promote learning and the sharing of practice. The inaugural meeting of the Review Board will be held in September.
4. The change requests received for consideration by Committee are summarised below and set out in detail in Appendix 1 and 2. These have been considered against the agreed budgetary principles, and in particular those below:
  - *Where there is delay, it should not be assumed that funding can automatically be moved between years, or that if significant change occurs that funding automatically continues. A full impact assessment would need to be undertaken to ensure the financial and contractual impacts are clearly understood prior to final decision by the Committee.*
  - *Where projects are stalled or significantly delayed, redeploying those resources to projects that will provide more certain or immediate benefits should be considered.*
  - *For projects over a certain threshold with significant delays or cost increase, where there is no consensus amongst the Programme Review Board on whether to agree to the change or delay, then a separate report to the Combined Authority Committee will be prepared setting out the pros and cons.*
  - *All material changes to budget or profile should be challenged by the Programme Review Board. Formal submission of change requests should be preceded by updates and early warning, in order that the change and options can be understood and agreed.*
  - *Where programme delays are reported, change requests should set out the full extent of delays since that at original approval, and not just the latest change, together with the mitigation that has been, or will be, undertaken to avoid any further delays in future.*

5. The following projects seek changes to their funding within the current investment period to 25/26. Given the scale, it is proposed that these changes are approved.
- **Workforce for the Future** – an additional £71k sought to align staff resources with the project end date for audit and closure of March 2023.
  - **Electric Vehicle Charging Infrastructure** – additional £100k funding sought from the Green Recovery Fund to develop a separate Car Club EV Charging Business Case and to support an application for local electric vehicle infrastructure (LEVI) funding.
  - **Cribbs Patchway New Neighbourhood Cycle Links** – project delivered £150k under budget.
6. As shown in Appendix 2, the following projects report delay of 6 months or over to key milestones and/or the reprofiling back of funding over £100k into later financial years. These changes are recommended for consideration by the Programme Review Board. As above this process to include an action plan setting out the basis of the decision including:
- The reason for the delay or need to reprofile back funding
  - The actions undertaken to address this
  - The responsible officer for the project
  - Further action required and when this will be undertaken.

Project	Promoter	Delay to Milestones	Reprofiling Back Funding £000s
Midsomer Norton High Street Market Square	B&NES	12	895
Reboot West	BCC	6	-
The Coach House BAME Enterprise Hub	BSWN	7	-
Tap On Tap Off	CA	-	222
Bristol Temple Meads Eastern Entrance	CA	10	-
Innovation for Renewal and Opportunity	CA	6	421
Bus Strategy Programme	CA	7	-
Jobs Connect	CA	12	-
Culture and Creative Recovery Programme	CA	-	130
Cultural Compact Start-Up Investment	CA	6	120

Integrated Transport Authority Function	CA	-	300
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- The projects shown in Appendix 1, report delay to key milestones and/or the reprofiling back of funding which based upon scale, being below the above tolerances, are recommended are approved:

### **Quantum Technologies Innovation Centre+ (QTIC+)**

- The business case for the QTIC+ project, which will sit within the CM1 building in the Temple Quarter Enterprise Campus (TQEC), was conditionally approved with funding of £34.974m to the University of Bristol (UoB) in October 2019. At that time the start on site was expected in September 2020 with completion in September 2023. In March 2021, the Committee approved a revision to the programme with start deferred until March 2023 and completion to the 24/25 academic year. An additional change request has now been submitted by UoB reporting further delay of 2 years, which would push opening back to the 26/27 academic year with the proposed reprofiling back of some £25m of funding which was expected to be drawn down in 20/21-21/22 to 23/24-26/27.
- At the Committee meeting in July it was agreed that the change request would not be accepted at that time, but that further clarity would be sought from UoB on the progress made to date, including pilot quantum and innovation based activities, together with the reasons for the current delay and the mitigation actions in place to ensure the revised programme and spend profile are robust.

#### *Project Update*

- It is recognised that Quantum technology is strategically important with huge growth potential and QTIC will give the region competitive advantage. The importance of quantum is recognised nationally, with government strategies citing it as one of a few 'transformative' technologies. Alongside QTIC, the West of England has other assets too, through our £5m investment in the Digital Engineering Technology and Innovation (DETI) project, the region has demonstrated the UK's first Quantum Key Distribution Network in partnership with BT, Toshiba and the National Composite Centre. The Institute of Coding, led by University of Bath, is delivering new courses in quantum. Taken together, we have the potential to be a national and global leader.
- The project has already made tangible progress on quantum with our support, and through temporary facilities UoB report they have supported around a third of all quantum technology start-ups in the UK to date, which are attracting significant investment, and 229 new high value jobs have been created in the region. UoB report the level of investment to date as £10m.
- The QTIC facility sits within the Temple Quarter Enterprise Campus, but the importance of this Campus goes well beyond just quantum. The investment by the Combined Authority could act as a catalyst for the wider Enterprise Campus which will be pivotal both regionally and nationally, and potentially the most significant and important innovation asset for the next decade. This includes

other clusters of innovation activity like the Digital Futures Institute, My World Creative Technology Campus and Science Creates. The inward investment and job creation potential for having this ‘anchor’ at the heart of the region is substantial.

### *Funding*

13. The QTIC+ project is co-funded by UoB and the Combined Authority. UoB have already invested more than £85m from their own resources in the CM1 building, £10m of which is directly attributable to QTIC+. Going forward the current proposal is that the QTIC+ funding would be drawn down at some 50% of spend over the period until completion (as shown in the table below). In addition, UoB have borne the TQEC cost increases, with CM1 costs rising by over £70m between 2019 and 2022, arising from a variety of reasons including building regulations and increased risk transfer by contractors, Brexit, the Coronavirus and inflation, working to a fixed Combined Authority funding contribution. This has involved value engineering to seek to minimise some of this impact and bring the TQEC back to an affordable position. The UoB Board of Trustees reaffirmed unanimously their commitment to progress the CM1 development at their meeting in February 2022.

	To Date	22/23	23/24	24/25	25/26	26/27	Total
<b>£m</b>	75.2	11.7	51.5	115.1	108.7	10.4	<b>372.5</b>
<b>QTIC Spend</b>	10.0	2.3	10.9	26.1	26.3	3.1	<b>78.6</b>
<b>Total CM1 Spend</b>	85.2	14.0	62.4	141.1	134.9	13.5	<b>451.1</b>
<b>QTIC equipment</b>	2.0						<b>2.0</b>

14. On the basis of the above, it is recommended that an updated business case is sought for the QTIC+ project reflecting the changes since the original submission in 2019. This business case should clearly set out the programme for the delivery of the project and the way in which risks of further delay are being mitigated.
15. In line with the investment principles agreed at the Committee meeting in July, there is a desire to move to a larger proportion of funding to be awarded on a repayable basis. The option to convert the QTIC+ grant funding to a loan, or equity-based loan, have been explored. However, from the information provided by UoB it appears that there is very limited scope for any repayment, with the project producing a deficit, as shown below in the profit and loss account with the funding as a loan. The continuation of funding as grant keeps the project above water but in order to drive delivery to key milestones, payments will be in arrears to maximise interest accrued by the Combined Authority on the balance held. The Committee may wish the Chief Executives to consider ways to incentivise this delivery where there is a financial downside to the UoB in the event of non-delivery to these milestones.

£m	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	Total
<b>Net income after investment</b>	(2,154)	(1,559)	(1,198)	(1,409)	(1,408)	(1,455)	(1,476)	(1,455)	(1,641)	(1,548)	(15,304)

16. To ensure the project remains on track it is proposed to establish a set of staged payments, paid in arrears and linked to delivery. The current milestones for the project are shown below. Further dialogue with UoB is required to provide a more granular breakdown of spend and payments against these, and other milestones for the build. A delegation to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils is sought to approve the updated business case and formalise these staged payments varying the current funding agreement with UoB. Should it not be possible to agree arrangements with UoB a report will be brought back to this Committee. The headline milestones are below but there will need to be agreement on key milestones between 2023 and 2026 that relate to payment and ensure the project is incentivised to deliver.
17. The scheme will fall in line with the recently agreed delivery assurance principles and given the financial value, any delay to the revised programme of more than 3 months will be considered by the Programme Review Board, and reported to the Committee with recommended actions.

<b>Milestone</b>	<b>Date</b>
Contract Award	March 2023
Start of main works	April 2023
Practical Completion	May 2026
Operational	Sept 2026

*Other actions*

18. Whilst recognising the work undertaken by the UoB in working towards contract award in March (the main contractor, SRM, has issued tender requests to sub-contractors for which responses are expected by November, with the final tender to be presented by SRM in January 2023), it will be important that UoB are now able to deliver to timetable based upon the revised proposal. It is therefore recommended that the Programme Review Board give attention to this project and report back to Committee should other issues or challenges materialise. The Combined Authority have been offered by UoB a seat on the Bristol Innovations Board, which will give more influence over the wider strategic opportunities coming through not just TQEC, but also ensure that connections are made with developments like DETI and the Institute of Advanced Automotive Propulsion Systems (IAAPS), with pervasive digital technologies linking all of these things up to make them greater than the sum of parts.
19. There is also a need for a comprehensive skills and training plan to underpin QTIC and the TQEC, reporting into Skills Directors. This is a clear priority for the Combined Authority, but as is often the case, can be underplayed in major innovation projects. Innovation is driven by people and through the funding partnership between the Combined Authority and UoB, we require that a joint plan is developed to ensure pathways are created into the many jobs to be created which will help us lever the skills portfolio to a greater effect.



## **Consultation**

20. Engagement has taken place with officers in the West of England Combined Authority Constituent Unitary Authorities. Section 151 Officers across the region have been fully engaged as have the Chief Executive Officers in helping to inform the prioritised projects for investment.

## **Other Options Considered**

21. All Change Requests are required to set out in detail the full range of options considered and the reason the preferred option has been identified. Specifically, to QTIC consideration has been given to a range of financial instruments such as loans, equity and equity-based loans.

## **Risk Management/Assessment**

22. There is a risk that in the absence of Combined Authority funding for the QTIC+ project that the TQEC would not progress, or would not progress in its current form. There is also a dependency with the Bristol Temple Meads Eastern Entrance project which links into the Campus.
23. All projects underway will maintain a specific risk register as part of the project management and monitoring arrangements. Key risks are included in regular Highlight Reports.

## **Public Sector Equality Duties**

24. The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
  - Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.
25. The Act explains that having due regard for advancing equality involves:
  - Removing or minimising disadvantages suffered by people due to their protected characteristics.
  - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
  - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
26. The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the

delivery of services, including policies, and for these issues to be kept under review.

27. For projects seeking funding through the Investment Fund scheme promoters are required to include as part of their Full Business Case, an equality and diversity assessment and plan. These assessments are published as part of the Business Case on the Combined Authority website.

### **Finance Implications**

28. The financial implications of the change requests detailed within this report are affordable within the overall funding as previously approved by the CA Committee.

Advice given by: Richard Ennis, Interim Director of Investment and Corporate Resources

### **Legal Implications**

29. There are no additional legal implications arising from this report.

Advice given by: Stephen Gerrard, Interim Monitoring Officer, West of England Combined Authority

### **Climate Change Implications**

30. On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making process.

Each report/proposal submitted for Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- The emission of climate changing gases?
- The region's resilience to the effects of climate change?
- Consumption of non-renewable resources?
- Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/ consideration as necessary as part of their detailed project-specific management arrangements.

31. Each business case coming forward for decision on inclusion in the Investment Fund programme includes consideration of environmental sustainability which

sets out how sustainability is being considered in the development of the project as well as during its operational stage.

### **Land /Property Implications**

32. All land and property implications are set out within the specific business cases and dealt with by scheme promoters.

Advice given by: Richard Ennis, Interim Director of Investment and Corporate Resources

### **Human Resources Implications**

33. There are no direct human resource implications arising from this report.

### **Appendices:**

Appendix 1: Change Requests for Schemes within the Current Programme Recommended for Approval

Appendix 2: Change Requests for Schemes within the Current Programme Recommended for Approval Subject to Review and Endorsement by the Programme Review Board

Report Author	Contact Details
Richard Ennis – Interim Director of Investment & Corporate Services	DirectorInvestmentandCorporate@westofengland-ca.gov.uk

## Appendix 1

### Change Requests for Schemes within the Current Programme Recommended for Approval

- **Workforce for the Future** - request for an additional £71k to align staff resources with the project end date for audit and closure of March 2023. New total Investment Fund £4.171m, profiled as £194k in 19/20, £433k in 20/21, £1.097m in 21/22, £1.553m in 22/23 and £894k in 23/24.
- **EV Charging Infrastructure**  
**Scope:** Due to the short timescales to progress to Full Business Case and deliver EV charging infrastructure, it has been recommended to develop a separate business case for the Car Club EV Charging.  
**Cost:** request to draw down an additional £100k to further develop the Car Club EV Charging FBC [Revised profile £100k 22/23 and £100k 23/24, total £200k]
- **Cribbs Patchway New Neighbourhood Cycle Links** - project delivered £150k under budget. Revised profile £345k 19/20, £1.491m 20/21, £811k 21/22 and £28k 22/23, total £2.675m
- **Access for All Step Free Stations**  
**Spend:** request for additional £459k of CRSTS funding to enable Network Rail to undertake more survey work prior to Full Business Case submission to ensure costs are robust. [Revised CRSTS funding £609k funding profiled in 23/24. Total Investment Fund £500K revenue and capital funding profiled as £3K revenue in 20/21, £36K revenue in 21/22, £250K capital in 22/23 and £211K capital in 23/24].  
**Milestones:** addition of 3 new milestones, and delays to a number of existing milestones of 2-4 months including 4 months for Full Business Case and start consultation (to Feb 24).
- **Strategic Cycle Route connecting Thornbury with the A38 via Alveston**  
**Cost:** Reprofiled £63k from 21/22 to 22/23 [Revised profile £62k 21/22 and £63k 22/23 total £125k]  
**Milestones:** Delay of 2 months for the submission of the Outline Business Case (to Apr 22).
- **Strategic Cycle Route connecting Yate with the East Fringe (Yate Spur)**  
**Cost:** Reprofiled £57k from 21/22 to 22/23 [Revised profile £68k 21/22 and £57k 22/23, total £125k]  
**Milestones:** Delay of 2 months for the submission of the Outline Business Case (to Apr 22).

- **Local Cycling and Walking Infrastructure**  
**Spend:** Reprofiled £59K from 21/22 to 20/21 and 22/23 [revised profile £22K in 20/21, £21K in 21/22 and £57K in 22/23, total £100k] and reallocating funding between cost headings.  
**Milestone:** Investment Strategy delayed by 4 months (to Dec 22)
- **Green Infrastructure** - 4 months delay to WaterSpace Connected Phase 1 Outline Business Case Delivery milestone (to Nov 22)
- **West of England Visitor Economy** - reprofiling £11k from 22/23 to 21/22 [revised profile £163k in 21/22 and £91k in 22/23, total £254k] and reallocating funds between cost headings.
- **Business Innovation Fund** - reprofiling £5K from 23/24 to 22/23 [revised profile £47k in 20/21, £87k in 21/22, £63k in 22/23 and £44k in 23/24, total £242k]
- **Masterplan North Fringe** - reprofiling £8k from 21/22 to 22/23 [revised profile £79k in 20/21, £194k in 21/22 and £227k in 22/23, total £500k]
- **South West Bristol Infrastructure Investment Plan** - reprofiling £27k from 22/23 and 21/22 to 20/21 [revised profile £112k in 20/21, £81k in 21/22 and £307k in 22/23, total £500k]

## Appendix 2

### Change Requests for Schemes within the Current Programme Recommended for Approval Subject to Review and Endorsement by the Programme Review Board

- **Midsomer Norton High Street Market Square**  
**Cost:** Reduction in Historic England match funding of £17k.  
Reprofiling of the entire funding forward one year - revised profile £45k 22/23 (capital), £775k 23/24 (£735k capital and £40k revenue) and £75k 24/25 (£65k capital and £10k revenue), total £895k  
**Milestones:** Delay of up to 12 months for a number of milestones including project construction completion (to May 24), due to extended statutory consultation and negotiations with the Environment Agency, and the knock-on impacts for contractors.
- **Reboot West**  
**Scope:** Overall 3% increase in the stretch outcome targets.  
**Milestones:** Requested project extension to align with funding from the Youth Futures Foundation moving the project end date from Sep 24 to Mar 25.
- **The Coach House B.A.M.E Enterprise and Social Enterprise Hub**  
**Cost:** Reduction of Heritage Lottery Fund match funding of £45,500.  
**Milestones:** Delay of up to 7 months across all milestones including business case completion (to Mar 23) and response to planning application (Jul 23).
- **Tap On Tap Off** - reprofiling £222K from 21/22 to 22/23 and 23/24 [revised profile £239K in 21/22, £956K in 22/23 and £805K in 23/24].
- **Innovation for Renewal and Opportunity**  
**Spend:** Reprofiling £421k from 22/23 to 23/24 and 24/25 [revised profile £345k 21/22, £2.064m in 22/23, £3.578m in 23/24 and £730K in 24/25, total £6.717m]  
**Milestones:** 6 months delay to Influence Fund investment agreed (to Dec 22) and Angel Research completed (to Dec 22)
- **Bus Strategy Programme** - 3-7 months delay to 5 milestones for the Bristol City Centre project, including OBC submission (to Aug 23) and construction begins (to Jan 25)
- **Jobs Connect (West of England Talent Retention Platform)**  
**Milestones:** 12 months delay to Project Review and Evaluation Report (to Jun 24) and Initial project end (to May 24).  
**Spend:** Reprofiling £65K from 21/22 and 22/23 to 23/24 [revised profile £93k in 21/22, £37k in 22/23 and £70k in 23/24, total £200k].
- **Culture and Creative Economic Recovery Fund** - reprofiling £130k from 22/23 to 23/24 and 24/25 [revised profile £1.367m in 21/22, £503k in 22/23, £70k in 23/24 and £60k in 24/25, total £2m].

- **Cultural Compact Start-Up Investment**  
**Milestones:** 6 months delay for two milestones including commission Cultural and Creative Skills Delivery Plan (to Dec 22) and Full Business Case submission (to Mar 23).  
**Spend:** Reprofiled £120K from 22/23 to 23/24 [revised profile £100k in 22/23 and £170k in 23/24, total £270k].
- **Integrated Transport Authority Function** – reprofiling £300k from 22/23 to 23/24 and 24/25 [revised profile: 19/20 £224k, 20/21 £221k, 21/22 £165k, 22/23 £90k, 23/24 £150k, 24/25 £150k, total: £1m].

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## ITEM 12

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE**

**DATE: 23 SEPTEMBER 2022**

**REPORT TITLE: INFRASTRUCTURE DIRECTORATE TRANSPORT UPDATE**

**DIRECTOR: ALISTAIR KIRK – INTERIM DIRECTOR OF INFRASTRUCTURE**

**AUTHORS: ALISTAIR KIRK, NICK BOUBOUSSIS**

### **Purpose of Report**

To secure approval from Committee on key decisions and associated funding (where applicable) related to projects within the Combined Authority's Infrastructure Directorate Transport Portfolio.

### ***CITY AND REGION SUSTAINABLE TRANSPORT SETTLEMENT (CRSTS) AND TRANSFORMING CITIES FUND (TFC)***

#### **Programme Level**

- **Recommendation 1:** Further to committee approval in July 2022- Delegation is sought to approve the award of contract for the Strategic Programme Delivery Partner to the Director of Infrastructure of the Combined Authority in consultation with the other Directors of Infrastructure within the constituent Councils, to be awarded in November 2022.
- **Recommendation 2:** Further to the committee report in July 2022 – approval is sought to streamline the change control process for the infrastructure programme of works, to Go-Live in October 2022

#### **Project Level**

- **Recommendation 3 :** Recommendation to reallocate the awards of Transforming Cities Funding of £0.186m (3 x £0.062m) from B&NES to the Combined Authority to develop further: Sliver Street (B3355) – Fosseway (A367) as part of the Somer Valley sustainable transport corridor with FBC forecasted for Jan 2024, Bath Road Keynsham as part of the Bristol to Bath Strategic Corridor with FBC forecasted for March 2024 and Weston to City Centre cycle route as part of Bath Sustainable Walking & Cycling Links (BSWCL) with FBC forecasted for March 2023.
- **Recommendation 4:** Recommendation to approve Transforming Cities Funding and CRSTS funding for the Bedminster Green Full Business Case (as part of the A38(s) Bristol to Hengrove Metrobus Extension). The funding allocations are £4.07m TCF and £6.319m CRSTS.

- **Recommendation 5:** Recommendation to delegate the approval of Transforming Cities Funding and CRSTS funding, for the Bristol Bridge Signals Junction and Car Park VMS Project (previously Bristol City Centre Junctions - part of the A37/A4018 Stockwood to Cribbs Causeways Sustainable Transport Corridor) for the Full Business Case due October 2022. Approval to be delegated to the Director of Infrastructure of the Combined Authority in consultation with the other Directors of Infrastructure within the constituent Councils. The funding allocations are £0.645m TCF and £1.748m CRSTS funding.
- **Recommendation 6:** Recommendation to delegate the approval of the Full Business Case for the Bus Stop Upgrades project and the award of up to £5m from the Transforming Cities Fund (TCF) to the Director of Infrastructure of the Combined Authority in consultation with the other Directors of Infrastructure within the constituent Councils. As this is funded by TCF, delivery must be completed by March 23. Committee agrees the aim to maximise the number of bus stops that can be upgraded during this period. Members are urged to ensure planning and highways regulations are streamlined to ensure the number of bus stop upgrades are maximised during the period while TCF funding is available.

### **Voting arrangements**

- Decisions require majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor.

## **1 CRSTS**

### **1.1 Activity Since Last Committee**

Following April 2022 letter from Government, the Combined Authority and its constituent authorities have commenced all projects within the CRSTS programme. Additionally, commenced setting up of the delivery model for the programme, in conjunction with the constituent unitary authorities, and identification of the resource required to deliver. The Combined Authority has commenced further recruitment to support the programme. The reporting and assurance for the programme has also been updated to better enable delivery. Revised reporting structure, developed and agreed in conjunction with the constituent unitary authorities, will be implemented throughout September. Please refer to separate committee paper on Scheme of Delegation.

A planning and delivery programming exercise has been undertaken. This has identified a risk around construction sequencing, with over 75% of projects forecasting construction during Q2 2024 to end of 2025. A high-level finance risk exercise has also been completed which has identified a £85m inflation risk. There is a need to relook at the project list and prioritisation process, determining, if necessary, how projects will become prioritised over others within the agreed programme if the inflation cost pressures cannot be mitigated by other means.

The Bristol to Bath Strategic Corridor (A4) – Brislington to Hicks Gate section is facing challenges to delivery. The Bristol to Bath Strategic Corridor is a flagship project for CRSTS. Risk to delivery is therefore an emerging and potentially substantial risk to the overall programme. This is being assessed presently by the Directors.

The Directors will finalise the MoU and Grant Offer Letter template between all parties during September. As with standard Grant conditions, satisfactory progress with the delivery of the Project needs to be demonstrated in a timely manner. Lack of satisfactory progress may

trigger reduction or suspension of payment of the Grant and by notification in writing to the Grant Recipient may require the repayment of the whole or any part of the Grant.

## **1.2 CRSTS Delivery Strategic Programme Delivery Partner**

At the July 2022 committee, it was agreed to progress the procurement of a strategic programme delivery partner for the CRSTS.

A programme delivery partner is required to aid the Combined Authority in successful delivery of the CRSTS programme, particularly in the initial stages of the programme. Over and above our recruitment aims, the partnership approach will help ensure:

- rapid provision of additional resources when needed
- the most up to date innovation and services in programme and project delivery
- improve areas where knowledge and/or resources are lacking

The programme delivery partner will support as and when resource gaps are experienced throughout the lifecycle of the programme.

The tender processes, for a £0 value contract award of a Strategic Delivery Partner has commenced with contract award expected in November 2022. Delegation is requested to award the contract prior to the next committee in January 2023.

**Recommendation 1** - Further to committee approval in July 2022- Delegation is sought to approve the award of contract for the Strategic Programme Delivery Partner to the Director of Infrastructure of the Combined Authority in consultation with the other Directors of Infrastructure.

### 1.3 Change Control process

At the April and July 2022 committees, it was agreed to review our change control process. This was to ensure we were applying best practice and ensuring swift appropriate decisions are made at an agreed level. We have now completed this review, looking specifically at how we apply programme level change control.

We are proposing to delegate authority for individual project level changes to the Directors of Infrastructure for infrastructure projects within the tolerances listed below. The Committee will continue to govern any changes to the overall programme budget and benefits outcomes.

Directors of Infrastructure may choose to discharge certain tolerances to the Regeneration and Development Steering Group as appropriate. Monthly reporting and assurance of the change control process will be conducted via the Programme Review Board and continue to be reported to the Chief Executives, Committee and Scrutiny Boards on a quarterly basis.

Independent audit of the change control process alongside the health of these programmes will also be conducted, via the Combined Authorities external auditor.

Category		Approval	Current tolerances	Requested tolerances
1	Cost Increases	Directors		Cost movement between projects no overall increase in programme budget Use of project level risk contingency pot up as long as 10% of the project risk pot is remaining
		CEO	Cost increases of up to 10% to a ceiling of £100k (Feasibility and Development Funding) and £3m (approved scheme funding) subject to funding being available and there being no impact on any other project in the programme	Use of programme level risk contingency pot
		Committee	Cost increases above this threshold	Cost increases above agreed programme threshold
2	Reductions in Match Funding	CEO	Reduction in match funding up to 10% to a ceiling of £300k	No change proposed: Reduction in match funding up to 10% to a ceiling of £300k
3	Reprofiling	Directors		Reprofiling of up to £50k (Feasibility and Development Funding) and

	of Spend (with no cost increase overall)			£100k (approved scheme funding) between financial years
		CEO	Reprofiling of up to £50k (Feasibility and Development Funding) and £100k (approved scheme funding) between financial years	Reprofiling between financial years above this level
		Committee	Reprofiling between financial years above this level	
4	Time	Directors		Slippage of milestones
		CEO	Slippage of milestone(s) for approved schemes less than 3 months	
		Committee	Slippage of milestones of 3 months or more	Slippage of milestones of 6 months or more. Monthly Section151 Programme review Board will be focussing on delays and mitigation thereof.
5	Scope, Benefits and Quality	CEO	Up to 10% change in value of quality as percentage of project value and/or 10% change in one or more metrics of benefits and/or minor change to the scope of the scheme	No change to current
		Committee	Over 10% change in value of quality as percentage of project value and/or over 10% change in one or more metrics of benefits, or a fundamental change to the scope of scheme	No change to current

**Recommendation 2:** Further to the committee report in July 2022 – approval is sought to streamline the change control process for the Infrastructure programme of works.

## 1.4 Reallocation of Awarded Funding

A full review of delivery of the CRSTS programme has been undertaken to ensure efficiently and timely delivery across the programme. One change to our delivery process is to combined individual projects into packages of work, allowing for effective delivery. Particularly combining small walking and cycling schemes into the relevant adjacent sustainable transport corridor or into larger packages has been identified. For three of these walking and cycling schemes, funding had already been allocated and now therefore need to be reallocated to the correct package and delivery organisation. These are:

- Silver Street fosse way as part of the Somer Valley sustainable transport corridor (£0.062m reallocated of TCF funding)
- Bath Road Keynsham as part of the Bristol to Bath Strategic Corridor (£0.062m reallocated of TCF funding)
- Weston to City Centre cycle route as part of Bath Sustainable Walk & Cycle Links (BSWCL) (£0.062m reallocated of TCF funding)

Packaging of smaller schemes into larger transport corridor projects provides for efficient design and delivery. The relevant project managers working with relevant officers of the constituent Councils, shall ensure outputs of smaller projects within the corridors are not compromised by packaging.

**Recommendation 3:** Recommendation to reallocate the awards of Transforming Cities Funding of £0.186m (3 x £0.062m) from B&NES to the Combined Authority to develop further: Sliver Street (B3355) – Fosseway (A367) as part of the Somer Valley sustainable transport corridor, Bath Road Keynsham as part of the Bristol to Bath Strategic Corridor and Weston to City Centre cycle route as part of Bath Sustainable Walking & Cycling Links (BSWCL).

## 1.5 Approval of Project Business Cases

### 1.51 Bedminster Green Full Business Case (FBC)

Bedminster Green is the first phase of the CRSTS programme, Bristol to Hengrove Metrobus extension Sustainable Transport Corridor. This project expects to be on site in late September 2022, it will be the first of the CRSTS projects to be in construction. The Full Business Case demonstrates good VFM at a project value of £10.389m. The funding allocations are £4.07m TCF and £6.319m CRSTS.

**Recommendation 4:** Recommendation to approve Transforming Cities Funding and CRSTS funding for the Bedminster Green Full Business Case (as part of the A38(s) Bristol to Hengrove Metrobus Extension). The funding allocations are £4.07m TCF and £6.319m CRSTS.

### 1.52 Bristol Bridge Signals Junction and Car Park VMS Project (previously Bristol City Centre Junction) Full Business Case (FBC)

As an early deliverable for the A37/A4018 Stockwood to Cribbs Causeway project, some small scale interventions have been propose to build on the previous work to close Bristol Bridge to through traffic and prioritise sustainable transport.

A Full Business Case has been prepared which is being finalised. A delegation for the approval of the Full Business Case is sought to the Director of Infrastructure of the Combined Authority in consultation with the other Directors of Infrastructure within the

constituent Councils.

The draft Full Business Case demonstrates good VFM, at a project value of £2.393m. The funding allocations are £0.645m TCF and £1.748m CRSTS funding.

**Recommendation 5:** Recommendation to delegate the approval of Transforming Cities Funding and CRSTS funding, for the Bristol Bridge Signals Junction and Car Park VMS Project (previously Bristol City Centre Junctions) (part of the A37/A4018 Stockwood to Cribbs Causeways Sustainable Transport Corridor) Full Business Case to the Director of Infrastructure of the Combined Authority in consultation with the other Directors of Infrastructure within the constituent Councils. The funding allocations are £0.645m TCF and £1.748m CRSTS funding.

### **1.53 Bus Stop Upgrades**

As set out in the transport update report, a package of bus stop upgrades is proposed as a readily deliverable scheme to utilise the time limited Transforming Cities Fund.

A total of ten bus stops have already been identified to be upgraded and the committee agrees that more should be identified to maximise the upgrades possible within the window of available TCF funding and a Full Business Case prepared.

Given the time critical nature of the delivery, a delegation for the approval of the Full Business Case is sought for the Director of Infrastructure of the Combined Authority in consultation with the other Directors of Infrastructure within the constituent Councils. The cost of the scheme could be up to £5m, depending on other opportunities to utilise existing TCF funding, which could be accommodated from the TCF within the allocation in the programme for transport Infrastructure.

**Recommendation 6:** Recommendation to delegate the approval of the Full Business Case for the Bus Stop Upgrades project and the award of up to £5m from the Transforming Cities Fund (TCF) to the Director of Infrastructure of the Combined Authority in consultation with the other Directors of Infrastructure within the constituent Councils. As this is funded by TCF, delivery must be completed by March 23. Committee agrees the aim to maximise the number of bus stops that can be upgraded during this period. Members are urged to ensure planning and highways regulations are streamlined to ensure the number of bus stop upgrades are maximised during the period while TCF funding is available.

### **1.6 Risk Management/Assessment**

The Combined Authority capital delivery programme risk management process will be aligned to the risk management standard, ISO 31000.

The process will consider risks as both threats (a negative impact upon achieving objectives) and opportunities (a positive impact upon achieving objectives).

Risk identification will be undertaken using a variety of methods within the programme depending on the project, the stage of its lifecycle, the resources available to undertake risk identification and the intended purpose of the identification. Identification techniques shall include, but are not limited to; document reviews, lessons learned, systemic findings, assumptions analysis, brainstorming, or SWOT analysis. These techniques can be undertaken in a workshop, through interviews or a combination of approaches.

### **1.7 Public Sector Equality Duties**

The Transport Portfolio will be subject to Equalities Assessment on a project-by-project basis

to ensure that the programme is delivered in accordance with the Public Sector E Duties.

### 1.8 Finance Implications, including economic impact assessment where appropriate:

Project	Delivery Status	Economic Impact	Funding Source	
			Transforming Cities Fund	Cities Regional Sustainable Travel Settlement
Walking and Cycling funding reallocation	Outline BC approval	Developing	£0.168m	
A38s Sustainable Transport Corridor (Bedminster Green section)	Full BC approval	Good	£4.07m	£6.319m
A37/A4018 Stockwood to Cribbs Causeways Sustainable Transport Corridor (Bristol Bridge Signals Junction and Car Park VMS project)	Full BC approval (delegation)	Good	£0.645m	£1.748m*
Bus Stop Upgrades	Full BC approval (delegation)	Good	£5m	

\* CRSTS funding decision below £6m delegated to Director's in July'22 Committee. Included here for completeness.

The risk-based forecast of the TCF element of the Investment fund paper assumes the above figures.

### 1.9 Additional Legal Considerations:

The CA has the power to enter into agreements with and make payments subject to appropriate conditions, to highway authorities.

The powers to enter into certain agreements in relation to trunk roads is vested in the CA.

Considerations on a project by project basis will be detailed when seeking approval.

### 1.10 Climate Change Implications

Please refer to the July CRSTS Committee Paper for further information on Climate Change implications of the programme.

### 1.11 Land/property Implications

Land and property implications will be reported back on a project by project basis.

### 1.12 Human Resources Implications:

Not applicable

### Background papers:

West of England Combined Authority Committee - CRSTS Paper January 2022

West of England Combined Authority Committee - CRSTS Paper April 2022

West of England Combined Authority Committee - CRSTS Paper July 2022



**West of England Combined Authority Contact:**

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## ITEM 13

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE**

**DATE: 23 SEPTEMBER 2022**

**REPORT TITLE: GREEN RECOVERY FUND UPDATE**

**DIRECTOR: ROGER HOARE, HEAD OF ENVIRONMENT**

**AUTHOR: ROGER HOARE, HEAD OF ENVIRONMENT**

### **Purpose of Report**

The committee paper will provide an update on the Green Recovery Fund, including:

- recommendations for funding under the first round of Green Recovery Fund
- Provide updates and seek approvals on previously allocated Green Recovery Fund schemes, including:
  - the Regional Low Carbon Delivery Scheme
  - plans to develop the Local Nature Recovery Strategy
  - a request to delegate grant approvals for the community pollinator fund to the Head of Environment in the Combined Authority, in consultation with the Directors of Infrastructure
- Provide an update on the overall Green Recovery Fund including total spent and remaining unallocated fund.

### **Recommendation**

#### **Committee are asked to**

- Approve the funding recommendations for round 1 of the Green Recovery Fund as set out in section 2
- Approve the £4.995m investment in Regional Low Carbon Delivery Scheme – to be funded through £4m GRF and an additional £995,000 from the Investment Fund headroom as set out in section 5
- Approve the feasibility & development form to spend £330k local nature recovery strategy from GRF allocations (pending government funds) as set out in section 6
- Delegate approval to the West of England Combined Authority Head of Environment in consultation with the Directors of Infrastructure for approval of grant funds for community pollinator fund, as set out in section 7

- Delegate the approval of remaining Green Recovery Fund to the Chief Executive, in consultation with the Chief Executives of the Unitary Authorities

### **Reasons for recommendation**

- A £50m Green Recovery Fund was created to support the delivery of the climate & ecology strategy & action plan
- Indicative allocations and a forward plan of business case proposals were agreed at April committee, including creating several funding calls
- The first funding call was opened in July. Officers have assessed the applications and committee are now asked to approve these recommendations as the decision-making body for the Green Recovery Fund.

### **Voting arrangements**

- ***Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor***

### **Background / Issues for Consideration**

#### **1. The Green Recovery Fund**

1.1. The £50m Green Recovery Fund was created as an initial investment to help achieve the region's investment towards our 2030 ambitions. The objectives of the fund are to:

- Reduce the region's emissions from buildings and transport, and enhance our natural habitats;
- Raise employment in businesses providing solutions to climate transition;
- Develop viable and sustainable markets for net zero transition, by overcoming obstacles or developing innovative solutions;
- Support the region's economy to decarbonise, including increasing green skills provision; and
- Leverage external funding into the region to tackle climate and ecological emergencies.

1.2. Of the total funds available, Committee have so far indicatively allocated as follows:

- £10m for Low carbon buildings and places;
- £10m for Green environment (green infrastructure and biodiversity projects);
- £5m for Low carbon transport system, including EV infrastructure; and
- £5m for Renewable Energy & Energy capacity.

#### **2. Green Recovery Fund: Open Calls Round 1**

2.1. As per the agreement at April committee, the outstanding Green Recovery Funds will be administered through separate open calls and the submission of business cases. The first open call closed in July 2022.

2.2. For the first round of Green Recovery Fund, the Combined Authority created an open call for applications to allocate an indicative total of up to:

- £4m for nature recovery
- £3m for renewable energy & energy capacity

2.3. The funding call was advertised amongst our partners and key stakeholders and on the combined authority website.

2.4. Eligible applicants were asked to complete an application form and provide evidence of the match funding requirements. We received the following applications:

	Number of applications	Totals
Nature Recovery	5	£ 4,415,098
Renewable Energy	5	£ 5,496,312

2.5. If we were to fund all applications, this would mean that first round of Green Recovery Fund would be oversubscribed by £400k for nature recovery and £2.5m for renewable energy.

2.6. A panel of officers from across the combined authority reviewed the applications in line with the scoring methodology set out in the guidance issued to all applicants. The Unitary Authorities were asked to provide representatives to join the scoring panel, with an officer from Bristol joining the review of the Energy applications and an officer from Bath and Northeast Somerset joining the Nature Recovery Assessments.

2.7. A summary of the projects that this paper seeks approval for are provided in the tables below:

Energy Projects

Name of Energy project	Organisation	Grant funding	Geographic coverage	Project Summary	Recommendation
Sustainable Innovative Finance Foundations For Wind Turbines	Bristol energy network	£1,192,000	Regional	SIFFFT will leverage external funding into the region by creating a pipeline of ready-to-invest wind turbine projects. It will engage communities, identify suitable sites for onshore wind within the West of England Combined Authority boundary, and develop sites to pre-planning and ecological screening stage. Once the feasibility, pre-planning and ecological screening has been undertaken, these projects will be attractive to companies for their capital investment. It will create the capacity for ~70 MW of green, renewable energy.	Conditional Funding – dependent on having a guarantor in place, or other appropriate controls agreed by CEOs
Solar Roof installation	Bristol Energy Co-op	£569,312	Regional	The project comprises the development and installation of over 2MW of solar photovoltaic (PV) systems on rooftops across the Greater Bristol region, specifically targeting small to medium businesses and community focussed buildings such as schools. It is our approach to install the largest system that will fit on the roof (even for buildings with relatively low consumption) as this gives the largest carbon saving.	Conditional Funding – dependent on having a guarantor in place, or other appropriate controls agreed by CEOs

Nature Projects

Name of Nature project	Organisation	Grant funding	Geographic coverage	Project Summary	Recommendation
Somerset Valley	BANES	£923,246	BANES	Delivering nature recovery in 5 key greenspaces in Radstock, Westfield and Midsomer Norton. Somerset Valley Rediscovered (SVR) will work with three town and parish councils to explore and address both the opportunities and challenges for delivering sustainable and transformative change to the way public greenspaces are developed and managed, such that they can make genuine contributions to nature recovery whilst providing and enabling better access to nature for people.	Fully fund the project
Capricorn Quay	Bristol Council	£480,000	Bristol	The project will create a floating ecosystem to deliver approximately 700-1000 sq metres of habitat that will improve water quality, support stronger fish stocks and provide haven for birds within Bristol Harbour. The provision of the Capricorn Quay floating ecosystem will provide ecological network connectivity as well as new habitat that provides multiple functions including water filtration, visual public amenity, access to nature resource for study and enjoyment. BCC are funding the creation of 35 moorings as part of the project.	Conditional fund - Funding only to be released upon securing planning permission
Frome Valley River Reserve	S. Glos council	£1,106,377	S. Glos	Provide funds to secure the purchase of land to create of a new Frome Valley River Reserve will deliver wetland Nature Recovery Network (NRN) habitat improvements on the ground and an NRN	Conditional Funding Recommendation to committee - subject to

				<p>exemplar site for the Bristol Frome catchment and beyond. The nature reserve is anticipated to:</p> <ul style="list-style-type: none"> <li>• approximately triple the annual value of ecosystem services from £400k to £1.2m.</li> <li>• increase the 100-year Present Value (PV) to £42m, which is a &gt;300% increase from the 100-year PV of continued management of £13m.</li> <li>• deliver a predicted 115% increase in biodiversity units (DEFRA Biodiversity Metric) from 277 to 596, with increase in the asset value of biodiversity on the site from £3-6mn to £7-15mn. This increase in the asset value of biodiversity is in addition to the substantial increase in the flow of Natural Capital benefits described above.</li> </ul>	agreement of sale of land from landowners
Forest of Avon	Avon Needs Trees	£732,429		<p>Supporting the woodland creation of up to 113 acres in Publow; planting up to 50,000 native broadleaf trees in diverse habitats in a strategically vital location for nature connectivity. Multiple benefits from the project will include carbon sequestration to tackle the climate emergency, biodiversity net gain to tackle the ecological emergency, natural flood management and public access. Health, wellbeing and skills outcomes will be supported by engaging 1,000 local volunteers in tree planting –with opportunities to specialise and enter the green economy –and the creation of public amenity space. The trail will include interpretation of woodland creation, biodiversity and local heritage features</p>	A further condition would need to be placed on the funding subject to guarantee and successful completion of the purchase of the land.



				<p>including the Wansdyke, old railway line and scheduled ancient monuments.</p> <p>The original funding application included a £42,000 for scoping of a wider area project to design and update a plan of nature recovery intervention in the wider area. The assessment panel did not feel this aligned with the objectives of the fund so are recommending funding the main woodland creation project only.</p>	
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### 3. Total Allocations from Green Recovery Fund Round One

3.1. In total through round one of the Green Recovery Fund, we are seeking to allocate £2.69m to energy projects and £3.24m through the Nature Recovery projects.

3.2. There are a few other potential projects in addition to those listed in this paper that we are not ready to propose for funding at this stage but hope to bring these back to October Committee following Due Diligence and further clarifications with applicants.

#### Energy Projects:

<b>Name of project</b>	<b>Organisation</b>	<b>Grant</b>	<b>Applicant match</b>
SIFFFT	Bristol energy network	£1,500,000	£1,300,000
Solar Roof installation	Bristol Energy Co-op	£569,312	£ 2,101,968
	<b>Total</b>	<b>£2,069,312</b>	<b>£3,401,968</b>

#### Nature Projects:

<b>Name of project</b>	<b>Organisation</b>	<b>Grant</b>	<b>Applicant Match</b>
Capricorn Quay	Bristol Council	£480,000	£ 503,000
Somer Valley	BANES	£ 923,246	£1,318,923
Frome Valley River Reserve	S Glos	£1,106,377	£ 624,000
Forest of Avon	Avon Needs Trees	£732,429	£ 1,556,736
	<b>Total</b>	<b>£3,242,232</b>	<b>£ 4,002,659</b>

### 4. Biodiversity Net Gain – Grant Conditions

4.1. From November 2023 (expected), construction developers will need to demonstrate a 10% biodiversity net gain associated with their development, either on site or offsite. Biodiversity Net Gain (BNG) Credits offer a way of offsetting habitat losses on development sites with gains elsewhere. It enables developers to pay for improvements elsewhere. A credit therefore represents a swap of habitat from the site of the development (where it is being removed) to the site generating the credit (where is being created).

The Net Gain element requires that the developer purchases 10% more units of biodiversity than are lost in the development.

- 4.2. The sale of credits covering 110 BNG units from a habitat site is therefore matched with a loss of 100 biodiversity units at the development site owned by the purchaser.
- 4.3. GRF-funded projects are intended to generate habitat improvements. If the associated BNG credits are sold, that will enable developers to remove an almost-equivalent amount of habitat elsewhere. This would almost entirely remove the value of the public funding provided through GRF
- 4.4. The overarching principle is that GRF funding must be used to generate net-additional biodiversity gains and must not enable habitat loss elsewhere.
- 4.5. The Combined Authority will set a condition of funding that any BNG credits generated using GRF funding including match, cannot be sold to enable offsetting developments. There may be projects that use GRF funding to take the first steps on a journey of habitat improvement. For example, GRF funding allows the purchase of a field and initial improvements (phase 1), and subsequent funding is required to plant trees (phase 2). Provided that the biodiversity gains from phase 1 are high enough to be fundable, there is no objection to additional gains produced in phase 2 being sold as credits for offsetting. But the gains from phase 1 must not be included in that sale.

## **5. Wider Development of the Green Recovery Fund Pipeline: Regional Low Carbon Delivery**

- 5.1. The April Committee paper set out a pipeline of future projects and business cases that would be brought forward as part of the overall Green Recovery Fund investment portfolio and separate to the open funding round schemes.
- 5.2. This included a total of:
  - £2m for continuation of Low Carbon Challenge Fund Energy scheme
  - £2m for Business grants continuation (low carbon challenge fund)
- 5.3. The Regional Low Carbon Delivery (RLCD) program will use this funding to build upon the established successes of the Low Carbon Challenge Fund. It also seeks an additional £995,000 to deliver an additional two projects designed to showcase innovative methods to retrofit hard to retrofit properties in the region. This builds on the original project to retrofit 25 properties, initially funded through European funding. On the basis of not drawing on other allocations within the GRF at this time, which themselves are expected to be fully subscribed, it is rather proposed to accommodate this £995, 000 increase from the Investment Fund headroom adding to the GRF overall.
- 5.4. The full business case for the RLCD is included in the background documents to this paper but the program will seek to deliver:

<b>GRF Theme</b>	<b>Scheme</b>	<b>GRF Amount</b>	<b>Applicant Match</b>	<b>Outputs</b>
Low carbon buildings & place	Carbon Surveys	£416k	£0	330-400 surveys
Low carbon buildings & place	Green Business Grants <ul style="list-style-type: none"> <li>• up to £15k grants</li> </ul>	£2.424m	£2.5m	200-250 businesses supported
Low carbon buildings & place	Innovative Housing Retrofit <ul style="list-style-type: none"> <li>• pipeline projects</li> </ul>	£995k	£889k	2 projects funded
Renewable energy & energy capacity	Rooftop Generation Grants <ul style="list-style-type: none"> <li>• £15k-£50k grants</li> </ul>	£500k	£750k	10-33 businesses supported
Renewable energy & energy capacity	Local Energy Scheme <ul style="list-style-type: none"> <li>• £100k-£250k grants</li> </ul>	£660k	£750k	1-2 projects funded
<b>Total</b>		<b>£4.995m</b>	<b>£4.889m</b>	<b>£9.884m</b>

5.5. In line with the principles of the Green Recovery Fund, the RLCD will seek to secure match contributions of £2m through the Green Business Grants. Committee are asked to improve the investment for the Regional Low Carbon Delivery program in line with the business case appended.

## **6. Wider Development of the Green Recovery Fund Pipeline: local nature recovery strategy**

6.1. Local Nature Recovery Strategies (LNRS) are laid out in the Environment Act 2021 as an approach for delivering national environmental objectives on local and regional scales. The LNRS will mainly cover the geography of the 50 Local Nature Partnerships relevant to the West of England Combined Authority area.

6.2. The LNRS is needed within the region to draw together existing data and present the information in a way that will enable future investment to be done in the right place and in the right way. Without this document, there is a risk that the region misses out on the best opportunities to invest in Nature Recovery.

6.3. Government have confirmed that they will provide capacity funding for the development of the LNRS but have not yet confirmed when this will be released or how much. In order to progress this work and fill a gap within the region, it is recommended that committee approve an additional £330,000 (over 18 months) from the Green Recovery Fund.

6.4. As set out within the feasibility & development form in the background documents, approximately half of the funding will go to B&NES and half to the Combined Authority to cover oversight of the LNRS work and the formation of the Environment Data Hub. It is expected that the majority of this funding will be repaid to the GRF in Q4 2022/23.

## 7. Wider Development of the Green Recovery Fund – Pollinator Fund delegations

7.1. In April 2022, Committee approved a business case to deliver a £1m Pollinator fund to help improve existing and create new biodiverse spaces across the region. Officers have since launched the first round of funding, in line with the proposals outlined in the original business case.

7.2. Over three years, the Community Pollinator Fund will provide small, medium and large grant funding to a range of regional organisations. The grant sizes are defined as:

- Small £1,000 to £9,999
- Med £10,000 to £49,999
- Large £50,000 to £100,000

7.3. It is recommended that the authority to approve the applications to the Pollinator Fund is delegated to the Head of Environment, in consultation with the Directors of Infrastructure within the Unitary Authorities.

## 8. Green Recovery Fund – Status update and future funding rounds

8.1. The table below provides a summary of the Green Recovery Fund to date. Funds that have already been allocated have been greyed out for ease of reference.

<b>GRF theme</b>	<b>Outline Proposal</b>	<b>Indicative funding request</b>	<b>Status</b>	<b>Business case anticipated</b>
<b>Low carbon buildings &amp; places</b>	Retrofit Accelerator	£3,000,000	OBC in submitted to April 22 committee, delegated approval for FBC to CEOS.	
	Retrofit Step-up	£250,000	Funding allocated at Dec 21 committee.	

	Retrofit supply chain	£5,000,000	Building on retrofit accelerator to look at supply chain generation/stimulus and economic stimulus (grant/loans).	Business Case being developed for next phase of retrofit delivery
	Regional Low Carbon Delivery - business assessment	£2,000,000	Continuation of existing scheme, replacing ERDF funding.	FBC Sept 22
	Additional Investment Fund for innovative retrofit	£995,000	Part of the Regional Low Carbon Delivery	Seeking Approval at Sept 22 Committee
<b>Sub Totals</b>		<b>£10.995m</b>		
<i>Low carbon transport system, including EV infrastructure</i>	Trials of innovative low cost on-street residential charging infrastructure	Schemes will total £5m but further feasibility required to determine exact costs		FBC Dec 2022
	Trial residential charging hubs			FBC April 2023
	Install destination chargers in public car parks			FBC April 2023
	Support EV Car Clubs			FBC April 2023
<b>Sub Totals</b>		<b>£5m</b>		
<b>Green Environment/ Nature Recovery</b>	GI projects (incl Bath RiverLine)	£1,450,000	Agreed at Jan 2022 committee	

	Community Pollinator Fund	£1,450,000	Agreed at April 2022 committee	FBC April 22 committee
	Round 1 Green Recovery Fund Nature projects	£3,242,232	4 projects seeking approval at Sept 2022 committee	
	Local Nature Recovery Strategy Funding	£330,000	Seeking Approval at Sept 2022 Committee	
	Unallocated nature recovery	£3.53m		
<b>Sub Totals</b>		£10m		
<b>Renewable Energy &amp; Energy Capacity</b>	Regional Low Carbon Delivery – Community Energy Scheme (local energy scheme continuation)	£2,000,000	Capital grant support for community energy groups to deliver renewable energy and smart grid schemes up to 5MW.	Business Case seeking agreement Sept 2022
	Round 1 Green Recovery Fund Energy projects	£2,069,312	2 projects seeking approval at Sept 2022 Committee	
	Unallocated energy projects	£0.93m		
<b>Sub Totals</b>		<b>£5m</b>		
<b>Grand total</b>		<b>£30.995m Green Recovery Fund &amp; Investment Fund</b>		

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8.2. In summary, the remaining unallocated funds from the Green Recovery Fund are currently:

<b>GRF theme</b>	<b>Initial indicative allocation</b>	<b>Allocation &amp; future pipeline</b>	<b>Unallocated funds</b>
Low carbon buildings & places	£10m	£10m	-
Low carbon transport system, including EV infrastructure	£5m	£5m	-
Green Environment (nature recovery)	£10m	£6.47m	£3.53m
Renewable Energy & Energy Capacity	£5m	£4.07m	£0.93m
<b>Totals</b>			<b>£4.46m</b>

8.3. All unused allocations will be reviewed over the next quarter. We will seek to allocate the remaining funds through further open calls. Having listened to feedback from the Unitary Authorities and other partners on the first funding round, we will seek to ensure that in future rounds the funding application form is simplified, and the application window is elongated.

8.4. The Combined Authority will also investigate opportunities to create an additional capacity building fund to help support smaller organizations with less capacity to respond to open calls to apply for future Green Recovery Fund calls.

8.5. The scoping activity for further funding rounds of the Green Recovery Fund will take place over Autumn 2022 in partnership with the Unitary Authorities, with an aim of opening the second funding round in Spring 2023.

8.6. Undertaking this development work before launching the second funding round, will help to ensure that our partners can develop quality projects and ensure that we are funding solutions to the strategic issues within the region and achieving the outcomes set out in the Climate & Ecological Strategy and Action Plan.

8.7. To help maintain the speed of delivery, it is recommended that future funding decisions for the remaining unallocated Green Recovery Fund is delegated to the Chief Executive in conjunction with the Unitary Authorities.



## **Consultation**

The funding decisions set out within this paper have been shared and consulted with our unitary authorities, including:

- GRF Round 1 applications – UA's were approached to support the assessment of applications – BCC supported the Energy assessment and B&NES supported the Nature Recovery assessment. Their input has then been incorporated into the proposals included above. (SGC have offered support for the Pollinator Fund assessment process).
- The Low Carbon Delivery business case has been out for consultation with the UA's via the Energy Action Group for the past 4 weeks and where received their comments have been incorporated.
- LNRS proposals have been developed with B&NES and the proposals have been shared with all UAs for comment and discussion over the past few months.

## **Other Options Considered**

A range of options were considered including:

- Not offering grant funding to GRF round 1 applicants – rejected – not funding projects will not help address the climate & ecological emergencies or help the region achieve our 2030 ambitions
- Not funding the LNRS early interventions through Green Recovery Fund and waiting for government funds to be devolved – rejected – starting work early on the LNRS will enable the region to be a leader and provide valuable evidence to inform future delivery for nature recovery

## **Risk Management/Assessment**

Risks associated with giving grant funding to organisations will be managed through performance management and monitoring frameworks. This will include financial and qualitative metrics. Payments will be made in arrears to safeguard the investments.

There is a risk that the government funding for the LNRS will not be sufficient to cover investment from the Green Recovery Fund. In this instance, any remaining amounts from the Green Recovery Fund headroom will be used.

## **Public Sector Equality Duties**

9 The round one green recovery fund applications were advertised and promoted in an accessible way to a wide variety of organisations, including on the combined authority website.

Individual projects funded through the Green Recovery Fund will be delivered to ensure that we fulfil the relevant public sector equality duties and deliver a just transition.

## Climate Change Implications

- 10 The Combined Authority's Climate Ecological Strategy and Action Plan is at the centre of this paper and all actions proposed within it align with its goals.

## Finance Implications, including economic impact assessment where appropriate:

- 11 The Financial implications are set out in the table below:

	Total funds available	Total funds spent or allocated	Total funds remaining
GRF (Investment Fund)	£30m	£25.54m	£4.46m
Investment Fund	£995,000	£0	£995,000

Report and advice reviewed and signed off by: Richard Ennis, Interim Director of Investment and Corporate Services

## Legal Implications:

- 12 There are no exceptional legal considerations.

Report and advice reviewed and signed off by: Stephen Gerrard, Interim Director of Law and Governance, CA

## Human Resources Implications:

- 13 While there are no HR implications arising directly from the report, the recommendation to temporarily allocate £330k over 18 months to cover the gap for resourcing the Local Nature Recovery Strategies (LNRS) work will be spent primarily on staffing. The recruitment process for this will be open, transparent and in accordance with policy and best practice.

Report and advice reviewed and signed off by: Alex Holly, Head of People and Assets, CA

## Appendices:

### Feasibility Form for Local Nature Recovery Strategy

## Background papers:

RLCD business case <https://www.westofengland-ca.gov.uk/wp-content/uploads/2022/09/Regional-Low-Carbon-Delivery-Programme-FBC.pdf>

Bristol Energy Network <https://www.westofengland-ca.gov.uk/wp-content/uploads/2022/09/Bristol-Energy-Network.pdf>

Bristol Energy Co-op <https://www.westofengland-ca.gov.uk/wp-content/uploads/2022/09/Bristol-Energy-Cooperative.pdf>

Capricorn Quay <https://www.westofengland-ca.gov.uk/wp-content/uploads/2022/09/Capricorn-Quay.pdf>

Avon Needs Trees . <https://www.westofengland-ca.gov.uk/wp-content/uploads/2022/09/GRF-Application-Form-Avon-Needs-Trees-V2.pdf>

Somer Valley <https://www.westofengland-ca.gov.uk/wp-content/uploads/2022/09/Somer-Valley.pdf>

Frome Valley <https://www.westofengland-ca.gov.uk/wp-content/uploads/2022/09/Frome-Valley.pdf>

## West of England Combined Authority Contact:

Report Author	Contact Details
Roger Hoare – Head of Environment	Roger.Hoare@westofengland-ca.gov.uk

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**Investment Fund - Feasibility and Development Funding Application Form**

1. SCHEME:

Local Nature Recovery Strategy Development

2. Lead Organisation

Combined Authority

3. Partner organisations

Bath and North East Somerset Council

4. Scheme contact details

Name:	Roger Hoare
Email:	Roger.hoare@westofengland-ca.gov.uk
Telephone:	07385957321

5. Scheme Type – mark with an X

Transport	
Non-Transport Housing Enabling	
Business Support	
Skills	

Other (please specify): Natural Environment / Green Infrastructure

6. Is this investment linked to any others within the early investment or wider investment

Fund programme? If so, please set out the relationship and linkages.

This bid relates to Green Recovery Fund and strategic projects that will deliver nature recovery. The Green Recovery Fund is earmarked for investment designed to help tackle the climate and ecological crises.

Details:

7. Total Funding required for this phase of works

*a. Spending Profile (£)*

	21/22	22/23	23/24	Total
Investment Fund		£110,000	£220,000	£330,000
Match Funding - please state source(s)		£13,000 (Natural England) + in-kind time from stakeholders estimated at £17,000	£27,000 (Natural England) + in-kind time from stakeholders estimated at £34,000	£40,000 + £51,000 = £91,000

*b. Cost Breakdown (£)*

	Investment Fund (£)	Match Funding (£)
In house staff costs	£230,000	
Third Party Support	£100,000	£91,000
Other (please specify)		
Other (please specify)		
<b>Total</b>	<b>£330,000</b>	<b>£91,000</b>

8. Please describe the scheme to be developed (including its objectives and expected impacts) and the proposed activity to be undertaken through this investment.

**Context**

Local Nature Recovery Strategies (LNRS) are laid out in the Environment Act 2021 as an approach for delivering national environmental objectives on local and regional scales. It is envisaged that the LNRSs will mainly cover the geography of the 50 LNPs, so in the case of the West of England LNP (WENP) the area covered will be Bath & North East Somerset, Bristol, South Gloucestershire and North Somerset.

The LNRS will be a ‘New, England-wide system of spatial strategies that will establish priorities and map proposals for specific actions to drive nature’s recovery and provide wider environmental benefits’. Each Strategy will:

- agree priorities for nature’s recovery,
- map the most valuable existing areas for nature, and
- map specific proposals for creating or improving habitat for nature and wider environmental goals.

Our current understanding is that the LNRS will be used to direct net gain funding and have a broader role in the planning system, to prioritise activities within parts of the new ELM Scheme, and to support the targeting of nature-based solutions. This would involve directing millions of pounds of funding for the WoE’s natural environment each year, making the LNRS a crucial document in delivering nature’s recovery and maximising the benefits that

the natural environment can provide to society.

It has been indicated that DEFRA will provide burden funding to assist with the development of LNRSs; however, it is unclear how much funding will be provided and what the timescales for providing the funding will be. To proceed at pace to support nature's recovery, this bid requests the funding required for quick progress to be made on the LNRS, underwriting any burden funding from DEFRA.

A. Details of the scheme to be delivered:

*[Note: please include details of the intervention expected to ultimately be delivered including the strategic fit, how the scheme is planned to be delivered and the cost.*

*Programme information should be included in section 10b]*

Once completed, the LNRS will help to direct funding and activity for nature recovery in the West of England. Our current understanding is that the LNRS will be used to:

- direct net gain funding and have a broader role in the planning system;
- to prioritise activities within parts of the new ELM Scheme; and
- to support the targeting of nature-based solutions.

However, the way in which the LNRS will be used to direct public funding and its exact role in the planning system has not yet been defined; it is expected that the LNRS guidance produced by DEFRA later this year will provide detail on this.

Additionally, we expect the LNRS to form a framework for prioritising action, project development and funding bids by stakeholders across the region, including WoE CA and UAs.

Delivery is expected to involve millions of pounds per year over many years, through both public and private funding and involving a wide range of stakeholders.

Additionally, regular monitoring will be required to report progress against the outcomes and actions set in the LNRS. This will involve collecting and analysing a greater range of data related to the natural environment much more regularly than we are currently able to do.

B. Details of the activities to be undertaken through this feasibility or development phase:



*[Note: If the planned output is other than an Outline or Full Business Case or Second Stage Skills Capital Application please describe the scope and content of the report which will mark the completion of this phase]*

The development of the LNRS will be conducted over 18 months through the stages set out in the table below:

Activity	Description
Local data collection and validation	<p>In this stage, locally held data on the natural environment will be identified, validated and mapped. This will require working with stakeholders to identify the best-quality local data that we have on the natural environment, where gaps exist in that data, and if and how those gaps can be filled in the timescale for the development of the LNRS.</p> <p>This will need to include:</p> <ul style="list-style-type: none"> <li>• Habitat data – existing assets and key areas for restoration and connectivity – mapping that allows delivery of Lawton Principles, and natural capital accounting; and</li> <li>• Species data – existing assets and key areas for achieving greater resilience through habitat restoration; site buffering and increased connectivity</li> <li>• Land Use data, including mapping of proposed developments, agricultural use, and agricultural land classification.</li> </ul> <p><b>The outcome of this stage will be a map of the Strategy area (i.e. the West of England) showing all relevant data to the production of the Local Nature Recovery Strategy.</b></p>
Data analysis	<p>This stage will comprise the interpretation of the data collected in Phase 1 to identify which habitats and areas are of greatest importance for wildlife in the West of England, and where the best opportunities exist to improve and connect existing habitats or create new habitats.</p> <p>This will involve building on existing work to identify the most</p>

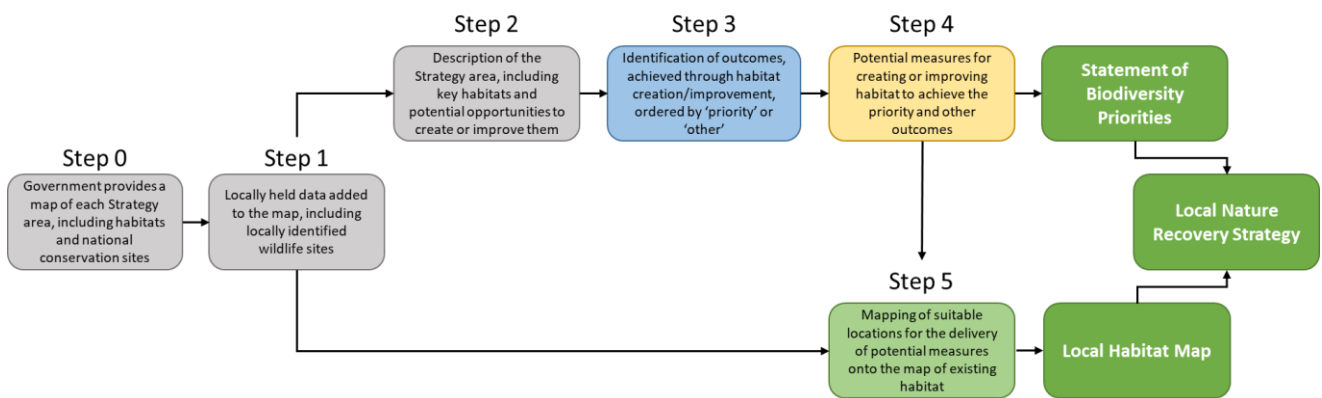
Activity	Description
	<p>important sites for nature and key opportunities for nature recovery, including through the mapping of a West of England Nature Recovery Network, the Nature Recovery Network Prospectus, and Local Authorities' Green Infrastructure Strategies. It will also require stakeholder collaboration to ensure we are best utilising knowledge from across the region on the most important sites for nature and opportunities for habitat creation.</p> <p>Community engagement will also be an important feature of this stage, including direct engagement with key community groups (such as community wildlife groups and town/parish councils), and workshops/webinars where the wider community is able to contribute towards identifying opportunities for nature recovery.</p> <p>Additionally, collaboration will take place with neighbouring LNRS areas to ensure we are taking account of landscape-scale and cross-border opportunities for nature recovery.</p> <p><b>The Outcome of this stage will be a description of the Strategy area, including key habitats and potential opportunities to create or improve them.</b></p>
Identification of outcomes	<p>In this stage, the opportunities identified in the Data Analysis stage will be refined to a set of outcomes to be achieved through habitat creation/improvement, which are categorised by 'priority' or 'other'.</p> <p>This will require extensive stakeholder work, including stakeholder workshops, to agree which of the opportunities identified in the previous Phase are feasible and which are the greatest priorities for nature's recovery.</p> <p>Also important will be engaging with landholders and farmers to ascertain where there is interest in nature restoration from those who make decision on land use. Landowner engagement through the West of England Agriculture Group will, therefore, be a feature of this stage.</p> <p>Again, collaboration will take place with neighbouring LNRS areas where outcomes will be cross-boundary in nature, to ensure that neighbouring LNRSs are consistent in their</p>

Activity	Description
	<p>identification of outcomes for nature recovery.</p> <p><b>The outcome of this stage will be a set of outcomes to be achieved through habitat creation/improvement, ordered by 'priority' or 'other'.</b></p>
<p>Identification of actions</p>	<p>Having identified the desired outcomes for nature recovery in the previous stage, the next step will be to identify potential measures for achieving those outcomes.</p> <p>This will require a more in-depth analysis of the land and the funding that will be needed to achieve the identified outcomes:</p> <ul style="list-style-type: none"> <li>• Significant collaboration with stakeholders, including WENP Working Groups, will be needed to identify how the agreed measures will be funded, including the identification of opportunities for nature-based solutions, the role of public funding including ELMs, and the role of private funding (through schemes such as the Bristol Avon Catchment Market).</li> <li>• Further engagement with landholders and farmers will be needed to identify which land in the outcome areas will be most suitable for nature recovery, and which measures are appropriate for this land.</li> </ul> <p>A number of stakeholder workshops will be held to assist in this stage of the development of the LNRS, including community engagement where appropriate.</p> <p>These measures will need to be considered as a whole to identify the package of measures that would be required to deliver the outcomes identified in the previous stage, helping us to focus our efforts on the measures that are likely to make the biggest difference in the future.</p> <p><b>The outcome of this stage will be an agreed set of potential measures for creating or improving habitat to achieve the priority and other outcomes.</b></p>
<p>Mapping of actions</p>	<p>This stage will involve mapping the measures identified in the previous stage onto the map of existing habitat produced in the</p>

Activity	Description
	<p>first stage. This will primarily require time from technical support and the Local Nature Recovery Strategy, with some stakeholder engagement to ensure the mapped measures are consistent with those identified during previous work.</p> <p><b>The outcome of this stage will be a Local Habitat Map identifying suitable location for the delivery of potential measures for nature recovery.</b></p>
<p>Consultation and publication</p>	<p>The Statement of Biodiversity Priorities and the Local Habitat Map will be brought together to form a draft of the Local Nature Recovery Strategy for the West of England.</p> <p>This draft will then be made available for stakeholder comment through a consultation period of a number of weeks and be updated to account for any comments made during this period. Sign-off will also be required from all participating Unitary Authorities and from Combined Authority as the Responsible Authority for producing the LNRS.</p> <p><b>The Outcome of this stage will be an agreed version of the Local Nature Recovery Strategy for the West of England.</b></p>
<p>LNRS monitoring set-up</p>	<p>As explained in Section 8A, regular monitoring will be required to report progress against the outcomes and actions set in the LNRS. This will involve collecting and analysing a greater range of data related to the natural environment much more regularly than we are currently able to do.</p> <p>We are, therefore, proposing to recruit an environmental data manager alongside the production of the LNRS, who will be responsible for putting in place an environmental data framework that will enable us to monitor progress against the LNRS, and other environmental objectives for the region, as well as provide greater transparency to stakeholders and the public regarding the state of the West of England's natural environment.</p> <p>A data commission will be required to fill the gaps in existing data related to the natural environment in the most efficient way possible.</p>

Activity	Description
	<p><b>Outcome: An environmental monitoring framework for the West of England and an interactive environmental data portal.</b></p>

This process for developing the LNRS is summarised in the following diagram:



9. Please set out how the activities to be undertaken through this Feasibility and Development Funding Application will be managed and resourced. If use of consultants or other third parties is proposed please describe how these have been, or will be, procured.

The CA, as the designated Responsible Authority for the production of the LNRS, will act as commissioner/client for the project, with a nominated SRO (Head of Environment).

B&NES will act as the delivery partner, with a nominated Programme lead for delivery (Head of Green Transformation).

Work will be delivered under an SLA (or MoU) between WoE CA and B&NES. The SLA will set out the agreed scope of work, budget and delivery timetable, along with a change control process, and indicate any specific issues where formal approvals required (eg external data commissioning specs, where detail not available prior to signing SLA).

An LNRS Executive Group will be set up to oversee progress and agree any significant

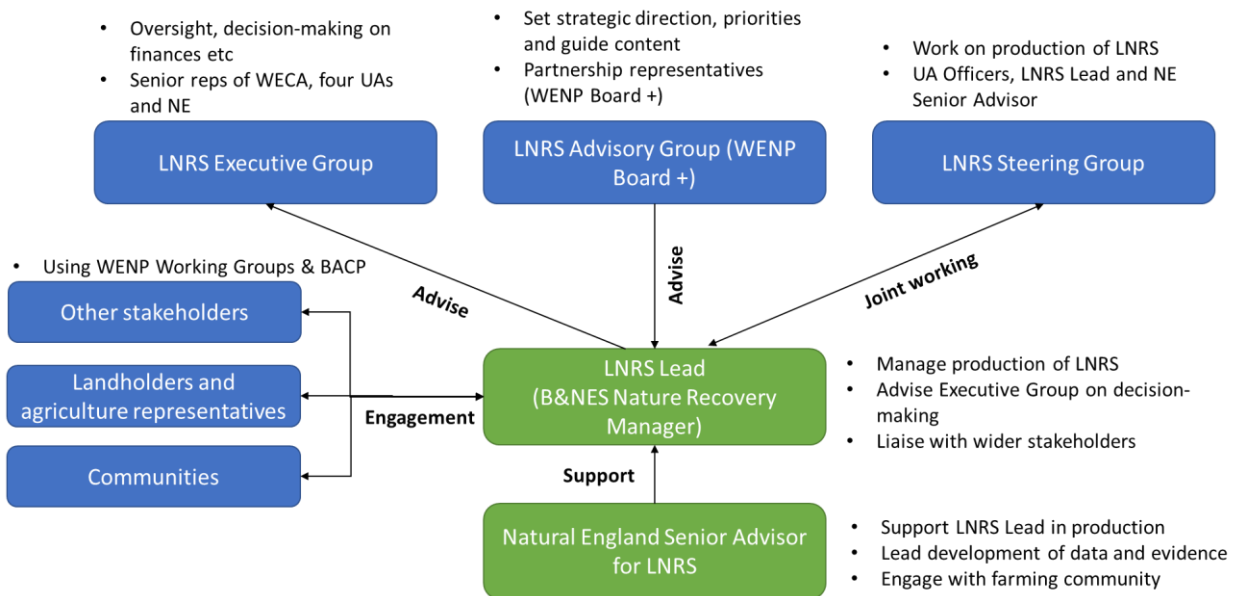
changes to delivery, meeting quarterly. It will comprise the CA (HoE), B&NES (HoGT), senior UA representation and senior Natural England representation (Co-chair: WoE CA/B&NES).

An LNRS Steering Group will provide day-to-day support on the development of the LNRS. It will be set up with officer representation from the CA, UAs, and the designated Natural England Senior Advisor (Chair: Mark Minkley (MM); meeting frequency tba).

The Environment Officer Steering Group will act as the LNRS Advisory Group and will help set the strategic direction, priorities and content of the LNRS, consisting of key stakeholders across the region (UAs, the CA, Environmental NGOs, arms-length government bodies, agricultural representatives, utility companies etc.). This will build upon direction and advice from the WENP Board (Chair: Roger Hoare; meeting frequency quarterly and ad-hoc as required).

A Nature Manager has been recruited by B&NES to manage the production of the LNRS, guided by the steering group and managed by the Strategic Manager - Green Infrastructure & Nature Recovery within B&NES, and accountable to the Board. Additionally, Natural England have designated a 0.5 FTE role for a Senior Advisor to support production of the West of England LNRS.

The management and governance of the project is summarised in the diagram below:



The Environmental Data Manager will be managed by the WoE CA Head of Environment,

and they will report to the same structures as set out for the LNRS.

10. What output will be produced using the funds awarded as part of this Feasibility and Development Fund Application, and when will this be completed?

The following outputs will be produced using the awarded funds:

- Local Nature Recovery Strategy for the West of England, as required by the Environment Act
- Environmental monitoring framework for the West of England
- Environmental data portal for the West of England

	Mark with an X	Date (mmm/yy)
Feasibility Study Report		
Option Development Report		
Option Assessment Report		
Outline Business Case		
Full Business Case		
Second Stage SkillsCapital Application		
Other (please state)	West of England Local Nature Recovery Strategy	May 2024 (indicative, exact timing will depend on the timescale set by DEFRA)
Other (please state)	Environmental monitoring framework for the West of England	February 2024
Other (please state)	Environmental data portal for the West of England	May 2024

11. When do you plan to start and complete your project and what are the main project milestones? Please include the milestones related to the feasibility or development work to be undertaken through this application and the milestones for the subsequent implementation phase through to completion.

*A. Milestones for the activities through this Feasibility and Development Funding*

The following dates are indicative and will depend on when we receive guidance for



producing LNRSs from DEFRA and the timescale set for their production. An 18 month timescale for producing the LNRS has been assumed.

Milestone	Date (mmm/yy)
Guidance and a map of the Strategy area is sent by DEFRA	15/11/2022
West of England Environmental Data Manager recruited	13/01/2023
Locally held data added to the map, including locally identified wildlife sites	03/02/2023
Description of the Strategy area, including key habitats and potential opportunities to create or improve them	17/03/2023
Identification of outcomes, achieved through habitat creation/improvement, ordered by 'priority' or 'other'	07/07/2023
Potential measures for creating or improving habitat to achieve the priority and other outcomes	24/11/2023
Mapping of suitable locations for the delivery of potential measures onto the map of existing habitat	22/12/2023
Environmental monitoring framework for the West of England agreed	02/02/2024
Draft version of the LNRS produced and consultation period opens	08/03/2024
LNRS Consultation period ends	19/04/2024
Final version of the LNRS produced for sign-off	17/05/2024
West of England Environmental Data portal goes live	17/05/2024
Sign-off from WoE CA and UAs	31/05/2024


*B. Planned milestones for scheme development or delivery beyond this initial phase.*

The milestones beyond the date of this project will depend on the guidance set out by DEFRA regarding the use of the LNRS, and on the outcomes and measures identified within the LNRS itself. We expect there to be a regular review of progress towards the LNRS and regular updates of the document as required; however, it is not possible to attach milestones to this yet.

Milestone	Date (mmm/yy)

12. Application sign off by the promoting organisation:

Senior Responsible Owner

Name:	Roger Hoare
Signature:	
Date:	14/09/22

Section 151/Chief Finance Officer \*

Name:	
Signature:	
Date:	

\* Where Combined Authority are the applicant this should be signed by the appropriate Director/Head of Service

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## ITEM 14

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE**

**DATE: 23 SEPTEMBER 2022**

**REPORT TITLE: UPDATE ON PROGRESS TOWARDS CLIMATE & ECOLOGICAL STRATEGY**

**DIRECTOR: ROGER HOARE, HEAD OF ENVIRONMENT**

**AUTHOR: ROGER HOARE, HEAD OF ENVIRONMENT**

### **Purpose of Report**

1. This report provides Committee with an update on progress towards tackling the climate and ecological emergency (in line with the requirements of the motion agreed in 2019, that an update would be provided every six months). The report provides an update on action since agreement of the Climate & Ecological Strategy & Action Plan in April 2022.

### **Recommendation**

2. Committee are asked to:
  - Note the progress report as per the agreement set out in the original motion declaring a climate emergency.

### **Voting arrangements**

- ***Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor***

### **Background / Issues for Consideration**

3. As a region, we have set ourselves the ambition to be net zero by 2030 and to ensure that wildlife and the natural environment are in recovery, with their decline halted within the same timescales. This is twenty years ahead of the national target to be carbon neutral by 2050.

## Update on Progress towards Climate & Ecological Strategy & Action Plan

4. The Climate and Ecological Strategy & Action Plan (CESAP) that was agreed in April 2022 set out the short-term actions and longer-term strategic approach to achieving these ambitious targets. In order to meet our 2030 targets, we will need to take action and work across the levels of government (both central and local), catalyse the private sector to take action and empower our local residents.
5. This paper provides an update on progress against the actions within the CESAP in an appendix one. Since April, we have been working together to:
  - Support our partner unitary authorities and organisations across the region to take action by launching the Green Recovery Fund and opening the first round of funding allocations
  - Work with our unitary authorities to position ourselves as leaders by increasing our regional resources focused on tackling the ecological emergency in preparation to deliver local nature recovery strategies
  - Catalyze public support and action to address the ecological emergency by launching the Bee Bold Awards & £1m Bee Bold Pollinator Fund, to support communities and organisations to take action to protect pollinators,
  - Work with First Bus to launch the first tap on/tap-off bus services in the region, supporting the ambition to make public transport more integrated and easier to use as part of our work to reduce reliance on using cars to travel across the region.
  - Empower the private sector to take action to improve and increase the range of green spaces in developments through the West of England Place Making Charter.
  - Take action to support an increase in the rate of retrofit across the region by developing a retrofit accelerator project to support local residents to retrofit their home and stimulate the skills and supply chains to deliver more retrofit.
6. Our partner Unitary Authorities have also been leading delivery through across of range of themes, including:
  - Redeveloping local plans to help ensure the delivery of low carbon development, nature recovery and renewable energy
  - Investing in the retrofitting of council owned properties and buildings
  - Enabling sustainable transport choices including investing in active travel schemes and reducing emissions from operational fleet vehicles.
  - Starting the installation of the UK's largest water source heat pump in Bristol (drawing heat from Bristol Harbour) to provide zero-carbon heat, and recycling Bristol's hot shower water to heat homes
  - Providing expert advice on local home energy efficiency and signposting to grants and loans to help cover costs through initiatives like the BANES' Energy at Home advice service

- Inspiring residents to take action e.g. Gloucestershire’s Community climate & Nature Emergency Action Training
  - Planting trees and improving the green spaces within our region
7. Committee will also be considering a paper on the Green Recovery Fund during the September committee meeting. This report details the volume and range of work that is underway to support the delivery of the Action Plan.

### **Next Steps in delivering**

8. As shown in the update on progress, the ambition Committee agreed in April is already having impact. Transport plans are being considered with an ever-increasing focus on contribution to net zero, new skills and training programmes are increasingly focusing on the need to deliver green skills across the region, and business support programmes are enabling a wide range of organisations to make the adaptations needed to improve their carbon footprint. We will continue to build on this work.
9. However, the 2030 ambition remains challenging and much still needs to be done to progress towards this.
- To further support the delivery of the plan and increase the pace and scale of our work, a new Head of Environment has been recruited to the CA and further resource is being brought in to strengthen the ability of the Combined Authority to deliver.
  - To make a real impact, we need government to step up and take action in line with our ambitions and empower us as a region to take action. We need government to:
    - Provide more funding and skills provision to deliver retrofitting across homes and buildings to not only reduce emissions but also support people to reduce their energy bills during the cost of living crisis.
    - Ease planning rules to increase the amount of renewable energy generated within the UK

### **Risk Management/Assessment**

- 10 *Risks associated with the delivery of the Climate Ecological Strategy and Action Plan* are set out in annex 1.

### **Public Sector Equality Duties**

- 11 Public Sector equality implications as part of the individual delivery plans for each action within the CESAP.

## Climate Change Implications

- 12 The Combined Authority's Climate Ecological Strategy and Action Plan is at the centre of this paper and all actions proposed within it align with its goals.

## Finance Implications, including economic impact assessment where appropriate:

- 13 *There are no direct finance implications associated with this report. Individual finance decisions associated with the delivery of this plan will be brought to committee as required.*

Report and advice reviewed and signed off by: Richard Ennis, Interim Finance Director

## Legal Implications:

- 14 *There are no direct legal implications associated with this report. Legal implications associated with individual decisions to deliver this plan will be brought to committee as required.*

Report and advice reviewed and signed off by: Stephen Gerrard, Interim Director of Law and Governance, CA

## Human Resources Implications:

- 15 *There are no direct HR implications associated with this report. The report notes recruitment undertaken and in train to ensure the CA has the resource in place to support the delivery of this the action plan.*

Report and advice reviewed and signed off by: Alex Holly, Head of People and Assets, CA

## Appendices:

Appendix 1 – Progress update against CESAP actions

## Background papers:

## West of England Combined Authority Contact:

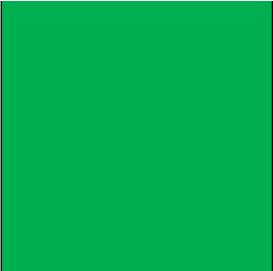
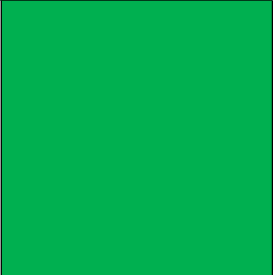
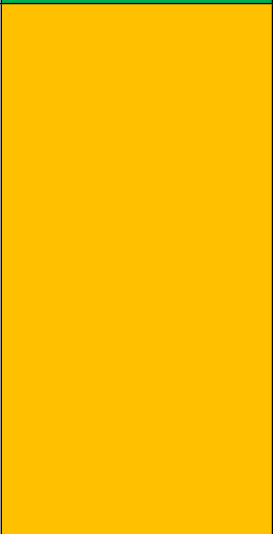
Report Author	Contact Details
Roger Hoare – Head of Environment	Roger.Hoare@westofengland-ca.gov.uk



## Climate Ecological Strategy and Action Plan – overview of progress in delivering our actions

### Theme: Low Carbon Transport

Actions	Timescales	RAG Status	Sept 2022 Progress
<b>Reduce number of car trips and freight journeys by:</b>			
Reviewing our transport major scheme programme to confirm how our schemes perform in terms of their carbon impact.	Develop for the Oct 2022 Committee		Review underway due to provide updates to officer groups at end of this year will provide updates to committee in Jan
Increasing the pace of transport decarbonisation by progressing demand management measures including Travel Planning, marketing, parking policy, and a package of Workplace Parking Levies and/ or congestion charging areas (we will do this by updating JLTP4)	Oct-22		Transport decarbonisation study being finalised and will inform any further revisions to transport policy incl. JLTP4
Developing detailed plans for a liveable neighbourhood in Bristol and confirming areas to develop liveable neighbourhoods in B&NES and South Gloucestershire with a view to rolling out a programme of delivery across the region to reduce reliance on cars.	Mar-23		Across the region between regional funding and local match, there is over £20m allocated to delivery by 2027, with projects at various stages of feasibility and business case development across the 3 UAs.
<b>Increase cycling &amp; walking by:</b>			
Delivering 14 cycling and walking schemes as identified in the cycling & walking strategy and work with partners to start to design schemes and proposals to submit to active travel fund (round three).	Deliver throughout 2022/23		Of the 14 schemes in total: 4 schemes on target for delivery by March 23, and 2 have been delayed due to supply chain issues. A further 8 are on target to deliver outline business cases.

<p>Launching e-Bike offer within Bristol, with a view to expanding across the region</p>	<p>Deliver throughout 2022/23</p>		<p>The current shared e-bike rental service began in February 2022 and is operated by ShareBike. As of June 2022 the scheme had 150 e-bikes, 33,000 rides and 3,800 users. Planning to explore wider uptake and rollout underway with UA's.</p>
<p><b>Increase uptake of public transport by:</b></p>			
<p>Delivering tap on tap off transport ticketing, offering a simpler public transport fares system which provides better value for money through fare capping in place for adult single trips and developing an integrated ticketing plan to provide a single consistent offer to customers across the region.</p>	<p>Dec-22</p>		<p>Scheme launched on 17th July across all First West of England services, including those in North Somerset. Installation of equipment on other operators' buses under way. Target for completion: April 2023</p>
<p>Improving frequency and accessibility of rail services through commencement of key infrastructure delivery including MetroWest Phase 1a and Phase 2 and commencing CRSTS delivery</p>	<p>Apr-23</p>		<p>MetroWest 1 (Portishead Line) funding confirmed by DfT, North Somerset Council and the Combined Authority to support the next phase of project development. MetroWest 2 planning approval confirmed for Ashley Down Station and equivalent approvals are anticipated for North Filton, Henbury and Charfield between now and spring 2023. A CRSTS funded project focussed on delivering step free access at Lawrence Hill station has commenced.</p>

Improving frequency and accessibility of bus services through commencement of key infrastructure delivery including commitments made in the Bus Service Improvement Plans and transport hubs in Future Transport Zones	Deliver throughout 2022/23		Delivery of service improvements underway including extending metrobus routes to Cribbs Patchway and Bedminster Green section works underway. Plans for funding to enable further improvements being finalised incl. CRSTS delivery programme for investment in infrastructure and awaiting DfT confirmation of revenue award for BSIP
<b>Increase uptake of public transport by:</b>			
Building better bus shelters, enabling green roofs and investing in green areas around stops including commissioning at least 15 new green roof bus stops and designing new standards to improve quality of wildlife habitats and buses and the surrounding verges	Mar-23		3 bus stops with green rooves planned for delivery by March 23 (to coincide with Transforming Cities Funding deadlines). Work is underway to deliver a wider programme of bus stop improvements with an aim to rapidly increase the number of green bus stops.
Launching new transport brand to build a consistent brand across the region to increase awareness of public transport capabilities and provision and build trust amongst users	Sep-22		Transport brand under development but aiming for launch in Q1 23/4
Launching public consultation on a new public transport system within the region to prioritise deliverable routes and modes	Autumn 2022		Sept launch, min 6-week consultation period online and in person events to inform strategic outline case
<b>Increase uptake of low carbon vehicles including electric vehicles by:</b>			

Increasing the amount of electric charge infrastructure in the region by investing £5m in a range of new projects (informed by EV charging strategy & feasibility work) and accessing government funds through £500m EV Charging Strategy to enhance our work where possible	Initial Business Case for December 2022 committee		Developing business cases ready for January 2023 committee.
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**Theme: Low Carbon Buildings and Places**

Actions	Timescales	RAG Status	Sept 2022 Update
<b>Increase the energy performance of homes and buildings across the region by:</b>			
Increasing retrofit across the region. Working in partnership to develop and launch the regional Retrofit Accelerator to increase the scale and pace of retrofit within the region by creating a hub for homeowners to access information on retrofit and increase the number of accredited surveyors, coordinators and designers	Summer 2022		Full Business Case agreed and process underway to secure a delivery partner, with an aim to have them in place by October 2022
Developing further retrofit interventions, building on the retrofit accelerator, and focussing on development of supply chain and skills (developing a business case for this to access funding from the Green Recovery Fund)	Autumn/ Winter 2022		Outline Business Case for phase 2 of the Retrofit Accelerator being drafted and aiming to propose to Sep Committee
Delivering the Low Carbon Challenge Fund's Innovative Housing Retrofit Scheme to retrofit 25 hard to-treat properties within the region, acting as a demonstrator for new technologies and to support the wider roll out of retrofit	Mar-23		100% of funding allocated to a 25 hard-to-treat home project led by social housing provider Brighter Places.
Continue to grow delivery of the Low Carbon Challenge Fund Green Business Grants to improve energy efficiency of commercial and industrial properties (developing a business case for this to access funding from the Green Recovery Fund)	Mar-23		117 SMEs awarded £1m grant to date for energy saving improvements. Regional Low Carbon Delivery Full

			Business Case developed and submitted.
Skills Bootcamps (regional funding): Wave 3 to deliver 4 green elements: 1) Delivering training programmes to increase the number of retrofit installers within the region including construction skills, 2) Green skills for future tech, 3) Modern Methods of Construction and 4) Upskilling retrofit.	Delivery by end March '23 (Wave 3). Wave 4 commences April '23		Green Boot Camps have struggled to attract companies to date but seeking to run further rounds. The Retrofit element of Round 3 (Wave 3) has seen significant interest from providers
Working with South West Net Zero Hub to deliver retrofitting schemes to improve energy efficiency to homes in fuel poverty including Green Homes Grant	Throughout 2022/23		Delivering funding to raise the energy efficiency of low income and low energy performance homes through LAD phase 2. So far, 1007 homes have been retrofitted, with 440 raised to EPC C or above.
Requiring increased development of low emission and net zero new build homes standards through our planning policy	Consultation in 2022, adoption in 2023		UAs are updating their local plans to reflect 2030 ambitions including low emission development and nature recovery.
Support businesses to upskill around retrofit and green skills via Workforce for the Future Programme (namely the Modern Methods of Construction project (YTKO), Skills for Clean Growth (UWE) and digital learning factories (NCC)	Ongoing delivery - programme ends Dec 23		Ongoing delivery - onboarding of new SMEs continues. Learning from this to feed into other projects.
<b>Increase the number of new carbon neutral homes and buildings being developed that deliver Biodiversity Net Gain by:</b>			

Developing a long-term strategic plan setting out where homes, jobs and infrastructure are to support low emissions developments that are linked with biodiversity objectives including increasing wildlife abundance and new habitat creation.	Consultation in 2022, adoption in 2023		UAs are updating their local plans to reflect 2030 ambitions including low carbon development, nature recovery and identify how new development can be linked with renewable energy development and storage.
Use planning policy to ensure delivery of minimum 10% Biodiversity Net Gain across new developments	Throughout 2022/23		BNG policies will be bought forward by the UAs through their Local Plans The Combined Authority are working with the UAs and partners (Natural England, WENP, AWT) to consider the most effective approach to implementation of BNG across the region
<b>Reduce reliance on fossil-fuel based heating by:</b>			
Using planning policy to develop and implement an energy hierarchy for preferred energy systems to influence new developments and help shift from fossil fuel heating	Consultation in 2022, adoption in 2023		UAs are updating their local plans to reflect 2030 ambitions including low carbon development and renewable energy. Further recruitment is underway for strategic energy specialist within environment directorate who will work with the UAs ,
Releasing the regional Placemaking Charter, setting out the quality standards expected in the region for developers, architects and house builders.	Summer 2022		Launched on 20 July 22

## Theme: Nature Recovery

Actions	Timescales	RAG Status	Sept 2022 Progress
<b>Improve the quality and connectivity of existing spaces for nature and wildlife by:</b>			
Improving existing natural spaces including Common Connections, Bath Riverline and Chew Valley Lake (Delivering Green Infrastructure Strategy projects)	Throughout 2022/23		Projects currently being delivered
Developing a Local Nature Recovery Strategy that provides a coherent regional vision for nature's recovery, building on the West of England Nature Recovery Network and helps direct investment in the natural environment into the most effective areas	By March 2023 (subject to confirmation of government timelines)		LNRS manager appointed through BANES and work will start at risk as Gov requirements and funding have not been released (expected in Dec) - short-term funding proposal to go to Sep Committee
Opening Green Recovery Fund for projects to create new habitats and improve quality and connectivity of existing spaces for nature	Autumn 2022		GRF round one closed on 22 July - proposed grant awards to go to Sep Committee
Planting more trees and create habitat spaces along strategic corridors (incl. CRSTS and strategic nature recovery networks) and improved bus shelters (as part of replacement programme)	Throughout 2022/23		Pollinator Fund launched to create more spaces and key green infrastructure projects incl. Common connections being delivered. GRF proposed projects will also support delivery of this action
Working with partners (incl. Natural England) to develop a monitoring framework for the natural environment in the West of England to enable us to measure progress towards our ambitions, including the possibility to use a wildlife index to measure	In line with nature recovery strategy		Monitoring framework will be developed in line with the Local Nature Recovery Strategy and gov't guidelines.

abundance and diversity of wildlife amongst the current ecological network			
<b>Create new spaces for nature and wildlife by:</b>			
Launching the Community Pollinator Fund to increase the number and quality of habitats for pollinators and bees across the region	May-22		Launched in August 2022 - although the launch was delayed funding should still be delivered for the 2022/23 growing season
Using planning policy to set out where homes, jobs and infrastructure are needed linking in with the biodiversity and ecology objectives, including those set out in Joint Green Infrastructure Strategy, Environment Act, Tree and Woodland Strategy, including the delivery of at least 10% Biodiversity Net Gain	Formal consultation in 2022, adopted 2023		UAs are updating their local plans to reflect 2030 ambitions including linking new developments with nature recovery.
Ensuring that transport and planning projects delivered by the Combined Authority positively contribute towards nature's net recovery, including delivering at least 10% Biodiversity Net Gain	Throughout 2022/23		Recruitment underway to Environment Team to help monitor and deliver existing CA work.
Supporting WENP and the Forest of Avon Trust in accelerating action to deliver the ambitions of the Forest of Avon Plan and access government funds such as Woodland Creation Accelerator Fund	Throughout 2022/23		Bid submitted by CA on behalf of the region to the Woodland Accelerator Fund, successful applicants will be informed in Sept 2022.
<b>Enable business, other stakeholders and residents to contribute to nature's recovery, including unlocking investment in nature-based solutions by:</b>			
Launching the West of England Placemaking Charter for creating high quality, biodiverse places that support access to nature and encourage health and wellbeing	May-22		Launched on 20 July 22



Working with business to protect pollinators and create green spaces by holding first regional Bee Bold Day and creating a targeted business campaign around this, including reducing pesticide use	May-22		Bee Bold Awards launched targeting organisations within the region to celebrate the action taken within the region to support pollinators and provide information to others on how to do similar. Celebratory award event planned for October 2022. Bee Bold Pollinator Fund also launched.
Supporting and promoting UA and partner organisations (e.g. WENP, Eat Local) engagement campaigns to raise awareness of and engagement with the natural environment, and encourage conservation volunteering and pro-environmental behaviours	Throughout 2022/23		Delivered 'Love Local. Explore Local' campaign, showcasing great spots to eat and shop locally and developing further campaigns to encourage residents to rediscover their local food growers and high streets
Working with partners to support the development of platforms that enable businesses to invest in the natural environment (e.g. Bristol and Avon Catchment Market)	Throughout 2022/23		Recruitment underway to new posts within the Environment Team to ensure sufficient resources
Using regional skills programmes including Skills bootcamps and adult education budget to build skills required for ecology and natural environment sector.	Throughout 2022/23		Some progress being made and uptake in green skills through Workforce for the Future. However, impact is patchy - skills bootcamp uptake is low. Will need to look into supply/demand measures going forward.
Community Support Fund (CSF) £1.5m of community projects including a number with environmental focus - linking communities, social cohesion and environment - HACT social value measures include pride of place and environmental awareness	Ongoing until March 23		Call 2 projects approved by CEOs 21/07/22 and will mobilise shortly.
Green Futures Fund: testing innovative approaches to delivery of school careers activity and curriculum that align with the regional 'green' skills agenda.	Throughout 2022		3 projects funded to provide career information to schools on green skills incl. STEM opportunities.

**Theme: Low Carbon Business**

Actions	Timescales	RAG Status	Sept 2022 Progress
<b>Support businesses to transition to low emission, sustainable practices and adapt for climate resilience by:</b>			
Delivering 400+ free carbon surveys and funding 200+ small & medium enterprises to make energy saving improvements to their buildings and equipment will be completed for SMEs as part of the Green Business Grant Scheme	Mar-23	Green	274 carbon surveys delivered, and 117 SMEs awarded grant. May be fewer SMEs awarded grant than expected due to slightly higher grant award (with 100% funding allocation expected).
Developing and implementing a carbon literacy programme for businesses to improve their understanding of climate and ecological emergencies and actions they can take to help address it	Mar-23	Green	Business webinar programme delivered as part of Green Business Grant marketing and due to be continued in the Autumn alongside the free Carbon Survey Offer.
Using the Growth Hub Net Zero Cluster to support and promote low carbon business practices with our Net zero enterprise advisers incl. developing a regional communications campaign to business and industry – measure, monitor and reduce emissions, prepare for the local impacts of a changing climate, protect, and restore nature.	Throughout 2022/23	Yellow	National funding for Growth Hubs have reduced and focus on climate set by Government have changed since COP26. Our Growth Hub continues to be the front door for business to access the Low Carbon Challenge Fund, Green BIF & other green/sustainable business support offers (e.g carbon literacy training for staff, sustainable packaging etc) and regularly promote the green initiatives via the Growth Hub newsletter & other social media campaigns.

Continue to grow delivery of Low Carbon Challenge Fund Green Business Grants to improve energy efficiency of commercial and industrial properties (developing a business case for this to access funding from the Green Recovery Fund)	Mar-23		Successful third Green Business Grant window held with 220 expressions of interest from potential applicants. Regional Low Carbon Delivery Full Business Case has been developed.
<b>Ensure local people to access green jobs and bring 23,000 green jobs across the region by:</b>			
Delivering careers advice to school aged children through the Careers Hub and Green Futures Fund to encourage them into careers to support key skills needed to support our 2030 ambitions, including ecology	Mar-23		Delivery underway
Using Workforce for the Future to deliver business support to 220 SMEs to understand what skills / knowledge they need in place to meet the 2030 ambitions and support the growth of modern methods of construction	Throughout 2022/23		Ongoing delivery incl. <b>Skills for Green Growth</b> -Currently 40 SME businesses have expressed interest on the programme and have been/will be supported and <b>Modern Methods of Construction</b> - Currently 27 SME businesses have expressed interest on the programme and have been/will be supported
Ensure that the refresh of the regional skills and employment plan includes focus on green job growth.	Dec-22		Refresh of Skills Plan now underway with green skills/jobs set to be a key component of revised plan. New plan expected to be completed by December 2022
<b>Prepare business for emerging green economies by:</b>			
Helping key sectors (incl. manufacturing & engineering) to innovate new sustainable technologies and supply chains via a range of projects, including through Workforce for the Future, DETI and Made Smarter projects	Throughout 2022/23		Range of projects currently delivering support for businesses to innovate new technologies and methods of construction incl. DETI phase 1, Made Smarter (launched July 2022) and Workforce for the Future. Future

			development underway to ensure continued deliver e.g. DETI phase 2
Encourage businesses to 'green' their procurement, supply chain, and recruitment practices through incorporate green elements into Job Descriptions, all via the Good Employment Charter	Throughout 2022/23		Sustainability objectives have been woven throughout the 7 pillars of the Good Employment Charter - also investigating the possibility of issuing a Green Digital Badge
Encouraging innovation in low carbon services, goods and technologies by awarding 50 new R&D grants to SMEs and 15 new products, processes or services (via Business Innovation Fund)	Mar-23		As a result of the round 3 application window, 9 SMEs were allocated £490,040 in grant funding towards £2,220,528 R&D project costs. The SMEs have forecasted that over a 5-year period 15m tonnes of greenhouse gas emissions would be saved if their R&D is successful and the new products processes or services they create are commercialised as they envisage.
Revising our regional procurement strategy to maximise the use of social value weighting to procure locally sourced goods and services.	Sep-22		Currently revising corporate approach to procurement but time scales have been delayed due to changes in staff.
Using Invest Bristol & Bath to create a campaign to attract new green businesses to the region	Throughout 2022/23		Currently in development

## Theme: Renewable Energy

Actions	Timescales	RAG Status	Sept 2022 Progress
<b>Increase renewable energy generation across the region, including through local, community focussed generation by:</b>			
Using Green Recovery Fund to stimulate further renewable energy generation and capacity, including securing ongoing funding for Local Energy Scheme	Apr-22		Round 1 applications for energy projects have been received and are under review and proposals included in September Committee papers. Regional Low Carbon Delivery Full Business Case developed and submitted for ongoing Local Energy Scheme funding.
Undertaking a feasibility study to de-risk the development stage of community energy, including creating a revolving fund	Sep-22		Projects proposed through Green Recovery Fund
Delivering Solar Together to increase number of Solar Panels in the region and reviewing its impact to decide if we will participate in a second round	Sep-22		Solar Together installations underway. Installations have been delayed due to supply chain issues. Participation in further rounds will be confirmed after an evaluation of first round.
Delivering Innovative Local Energy Scheme (round 2) to support the implementation of innovative renewable energy projects of between 50kW and 5MW, that also deliver community benefits	Apr-22		Two projects allocated over £800k - solar array in a community meadow and lido river heat pump infrastructure. £473k still to be allocated.
Encourage development of renewable energy schemes across the region (working with the South West Net Zero Hub to allocate funding and advice focussed on proven cheaper technologies e.g. solar, wind)	Throughout 22/23		New MoU being confirmed between BEIS and Net Zero Hub to ensure continued operation and budgets until 2025
Continue to develop and fund the Low Carbon Challenge Fund's Innovative Local Energy Scheme to support renewable energy generation	Throughout 22/23		Regional Low Carbon Delivery Full Business Case developed for ongoing Local Energy Scheme funding.

**Work in partnership to develop new smart approaches to the decarbonisation, storage, management and distribution of energy by:**

Ensuring new developments gas & electricity requirements are accurately included energy planning building on North Fringe & SW Bristol development plans (EPIC project)	Throughout 22/23		UAs are updating their local plans to reflect 2030 ambitions linking new development with renewable energy generation and storage.
Increasing energy innovation funding coming to the region, working with partners such as Western Power	by 2023		Held discussions with B&NES about the need for joined up action on this. WPD presented to the regions Climate Action Panel to discuss national funding from OFGEM
Developing a long-term strategic plan setting out where homes, jobs and infrastructure are to support low emissions development that they are linked with renewable energy generation and storage ambitions	Throughout 22/23		UAs are updating their local plans to reflect 2030 ambitions linking new development with renewable energy generation and storage.

**ITEM 15**

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY  
COMMITTEE**

**DATE: 23 SEPTEMBER 2022**

**REPORT TITLE: WEST OF ENGLAND COMBINED AUTHORITY &  
MAYORAL FORECAST 2022/23**

**DIRECTOR: RICHARD ENNIS, INTERIM DIRECTOR OF  
INVESTMENT AND CORPORATE SERVICES**

**AUTHOR: SELONGE RUSSELL, HEAD OF FINANCE**

**Purpose of Report**

- 1 This report presents the revenue budget financial forecast information for the West of England Combined Authority and the Mayoral budget for the financial year 2022/23 based on data from the period April to July 2022.

**2. Recommendations**

The West of England Combined Authority Committee:

1. Review and comment on the Mayoral Fund forecasted revenue as detailed in Appendix 1;
2. Review and comment on the Combined Authority forecasted revenue as detailed in Appendix 2;

**Voting Arrangements:**

- Items 1 - 2: Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor

### 3. Mayoral Fund Revenue Budgets

- 3.1 **Appendix 1** details the Mayoral Fund’s forecast revenue position for the 2022/23 financial year based on actual information to the end of July 2022, which is forecasted to deliver a balanced position at year end.
- 3.2 A contribution of £346k will be made to an earmarked reserve, in line with budget, to meet the estimated costs of the next scheduled Mayoral Election in 2025, in line with common best practice by local authorities.

### 4. West of England Combined Authority Revenue Budgets

- 4.1 **Appendix 2** details the Combined Authority’s revenue forecast position for the 2022/23 financial year based on actual information to the end of July 2022. The overall net revenue budget is forecasted to deliver a balanced position at year end. The main points to note are:

#### Transport Levy and Operations

- 4.2 The Transport Levy for 2022/23 was approved by the West of England Combined Authority Committee on 28 January 2022 at £19.5m, with a recharge of circa £2m applied to North Somerset Council. This revenue levy, funded by the Unitary Authorities, reflects a ‘like for like’ service based on known and estimated demand for the financial year.
- 4.3 A breakdown of the Transport Levy by Local Authority is indicated in Figure 1.

**Figure 1: Transport Levy for 2022/23**

<b>Authority</b>	<b>Original 2022/23 Levy £000s</b>
B&NES	5,194
BCC	10,261
SGC	4,014
<b>Total Levy</b>	<b>19,469</b>
NSC	1,958
<b>Total</b>	<b>21,427</b>

- 4.4 Prior to the pandemic, reimbursement to bus operators for accepting concessionary travel passes was based on the number of journeys made by pass-holders. With the onset of coronavirus in March 2020 and the imposition of lockdown, bus patronage fell sharply and, as part of its package of emergency support to bus operators, Government directed local authorities to continue to pay bus operators for concessionary travel based on pre-pandemic patronage levels rather than actual use.

The Government support package was modified during 2020 such that bus operators were required to operate at least 90% of their pre-pandemic mileage to qualify for full reimbursement. In respect of those who were unable to meet that threshold, local authorities were allowed to reduce reimbursement payments to reflect the actual



percentage of pre-pandemic mileage operated. These arrangements continued until March 2022.

The most recent Government guidance is to transition back to reimbursement for actual travel over the course of 2022-23. In April 2022, reimbursement was capped on 90% of pre-pandemic patronage and that percentage cap is reduced every two months until it reaches 65% in February 2023, as detailed in *Figure 3*. From the point where actual use meets the declining percentage, reimbursement will revert to actual use.

**Figure 2: Table showing the scale down of LTA pre-Covid concessionary reimbursement payments**

Month	% scale down of LTA pre-Covid concessionary payment
<b>06 April 2022</b>	<b>90%</b>
01 May 2022	90%
<b>01 June 2022</b>	<b>85%</b>
01 July 2022	85%
<b>01 August 2022</b>	<b>80%</b>
01 September 2022	80%
<b>01 October 2022</b>	<b>75%</b>
01 November 2022	75%
<b>01 December 2022</b>	<b>70%</b>
01 January 2023	70%
<b>01 February 2023</b>	<b>65%</b>
01 March 2023	65%

Whilst overall bus patronage in our region has recovered to roughly 75% of its pre-pandemic level and seems to have stabilised, bus use by concessionary pass holders has recovered to only 60% and shows little sign of further improvement at this stage.

- 4.5 The Committee in January 2022 approved transferring the underspend in 21/22 to a specific one-off earmarked reserves to invest in further support to regional bus services to protect routes, particularly in rural areas and other communities not well served by public transport, during 2022/23.
- 4.6 A forecast position of the Transport Levy is detailed in Figure 3.

**Figure 3: Transport Levy Forecast vs Budget for 2022/23**

Function	Budget 22/23 £'000s	Forecast 22/23 £'000s	Variance £'000s
Team and Operational costs	856	1,308	452
Contribution from the Authority*	0	-452	-452
Community Transport grants	1,653	1,693	40
Concessionary Fares	14,871	11,831	-3,040
Real Time Information (RTI)	412	411	-1
Supported Bus Services	3,094	8,697	5,602
Metrobus	87	87	0
Bus Information	177	175	-2
Travelwest	26	26	0

Integrated Ticketing	252	252	0
	<b>21,427</b>	<b>24,027</b>	<b>2,600</b>
<b>Additional Funding</b>			
<i>Drawdown from earmarked reserves</i>		-1,140	
<i>S106 funding**</i>		-463	
<i>BSOG Grant**</i>		-1,148	
<b>Totals</b>	<b>21,427</b>	<b>21,277</b>	
<b>Surplus</b>		<b>-150</b>	
*Overheads and Recharges			
**BSOG Grant & S106 funding are not levy related			

- 4.7 The increase in the Supported Bus Services primarily relates to price variances. With continued uncertainty surrounding future bus patronage and costs associated with re-tendering existing bus routes unknown, it is important that a reasonable reserve is maintained to manage any peaks and troughs throughout 2022/23 and in the medium term. Forecasted underspending and potential demands against the transport reserve will be regularly reviewed throughout the year with the Constituent Authority Section 151 Officers kept fully apprised. This sits alongside the significant work on the opportunities that the Bus Services Improvement Programme and the connected City Regional Sustainable Transport Settlement will provide the region in the future.

#### Variations on Project Spend

- 4.8 Since the budget was set, various Investment Fund revenue schemes have been reviewed and rephased over financial years with a revised three-year revenue forecast for all investment fund projects detailed in **Appendix 3**.
- 4.9 In year spend on Government funded projects is forecasted to be **£7.5m** higher than originally budgeted with the main variations being various new approved projects which have been added since the budget was approved in January 2022 as detailed in **Appendix 4**.
- 4.10 £5.1m revenue has been awarded by DFT for 2022/23 (there is an expectation of award of £2.5m for 23/24 and 24/25. Beyond 24/25 will be subject to future spending reviews) to the Combined Authority to prepare for the significant five-year City Region Sustainable Transport Settlement. The profile of spend for this funding is still being worked through and will be added to the revenue budget once concluded.

#### Interest on Balances

- 4.11 An income budget of £1.6m was set in relation to the interest that the Combined Authority earns from investing cash balances held. Whereas interest rates have dropped to record low levels over recent months, through a number of 'forward deal' investments and longer-term placements in property and equity funds, we continue to significantly out-perform this income target. The forecast position for 2022/23 is a treasury surplus of **£0.6m**.
- 4.12 A risk to Treasury management in the medium term is the potential change in accounting treatment for investments in 'pooled funds' under IFRS9. Such funds, which

include CA investments in property and mixed (equity) assets, deliver an annual revenue return through dividends. These investments are made for a long-term duration with the difference between the cost of purchasing the investment, and the notional sale price of that investment, often fluctuating due to specific market conditions. There are no immediate, or medium term, plans to sell our pooled investment assets, any changes in notional sale value are not material in our considerations. However, there is a risk that, upon the expiry of a national ‘over-ride’ arrangement in March 2023, any notional changes in capital value of our holdings would have to be accounted for annually within our revenue budget, rather than transferred to unusable reserves. As at August 2022 there has been a £1.1m fall in the total value of pooled fund assets. We would therefore need to use the Treasury Management reserve to manage the potential risk of this national accounting change in practice.

### Drawdown from Reserves

- 4.13 Drawdowns from earmarked reserves of **£1,399k** are included in the forecast income for 2022/23 as detailed in *Figure 4*.

**Figure 4: Drawdown from Earmarked Reserves**

Transfer from Reserves	£'000s
Mayoral Capacity Fund	177
Brexit Funding	82
Supported Bus Services	1140
<b>Total Reserves Forecast Drawdown</b>	<b>1,399</b>

- 4.13 The Combined Authority General Reserve, as at 31 March 2023, is expected to be c£2.4m which is 3.7% of the 2022/23 revenue budget. The future revenue position remains uncertain whilst core operating costs are funded through temporary sources such as Mayoral Capacity Fund and Business Rates Retention pilot share.
- 4.14 Although there is no explicit guidance on the appropriate level of unearmarked financial reserves that an authority should retain, general practice suggests that these should be in the region of 5% of the annual net revenue budget. Accordingly, as per the Reserves Policy that was approved by the West of England Combined Authority Committee in January 2022 *we will continue to strive to achieve, and maintain, a Combined Authority, unearmarked, General Fund Reserve of at least 5% of net annual revenue spend*. The Combined Authority’s revenue budget for 2022/23, as approved by Committee on 28 January 2022, was £64.9m against which 5% would represent **£3.2m**. As such, our current reserve holding is respectively low, and we will continue to review opportunities for further contributions.
- 4.15 Business Rate Growth has slowed down in the region, even prior to the Covid situation, which will have a negative impact on future income projections. The Combined Authority’s share of the business rates retention pilot is 5%, budgeted at £0.6m for 2022/23 which is predicted not to be achieved. The Combined Authority’s business rates retention share is dependent on the actual returns of the individual constituent authorities which have been further complicated over the last 24 months due to various Covid related government grants received as compensation for business rate income losses.

### **Specific Grants and Reserves**

- 4.16 The West of England Combined Authority continues to attract a variety of specific grants and funding through several different sources. The revenue budget for 2022/23 and Medium-Term Financial Forecast, as approved in January 2022, set out all revenue budgets and anticipated spend up to the period to March 2024.

### **Summary Revenue Budget position for West of England CA**

- 4.17 The overall forecast position for the Combined Authority revenue budget for 2022/23 is a balanced budget forecast position as at the end of the financial year.

### **Consultation**

- 5 Consultation has been carried out with the Monitoring Officer, Chief Executives, and S151 Officers across the three constituent authorities. Regular meetings are held with the Finance Directors across the region in terms of material financial matters.

### **Other Options Considered**

- 6 Value for Money and appropriate use of resources are constantly considered when monitoring and managing all revenue and capital budgets.

### **Risk Management/Assessment**

- 7 This report forms a core part of the West of England Combined Authority's governance and risk management process. The forecast presented in this report takes account of known financial risks and their potential impact on the financial position.

### **Public Sector Equality Duties**

- 8 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.
- 8.1 The Act explains that having due regard for advancing equality involves:
- Removing or minimising disadvantages suffered by people due to their protected characteristics.
  - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
  - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

- 8.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.
- 8.3 All key service delivery functions continue to be delivered by the relevant constituent councils and impact assessments for service delivery, particularly highways and transport are included as appropriate within their individual Budget reports.

### **Climate Change Implications**

- 9 On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision-making process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- \* The emission of climate changing gases?
- \* The region's resilience to the effects of climate change?
- \* Consumption of non-renewable resources?
- \* Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/ consideration as necessary as part of their detailed project-specific management arrangements

- 9.1 The criteria applied for the drawdown of investment funding incorporates the impact that any proposed project will have on climate change. Spend on infrastructure projects in particular has a strong focus on improving the availability, and coverage, of public transport whilst reducing congestion on the region's roads.

### **Finance Implications, including economic impact assessment where appropriate:**

- 10 The financial implications are contained within the body of the report.

The impact of Covid has had a significant impact on the region and resulted in changes to the way CA funds have been utilised. The UK and global economy are continuing to feel the effects of Covid and broader pressures, with significantly increasing inflation rates impacting families, communities, employers and businesses and the probability of economic decline through negative growth over the next 5 quarters. A recession is defined as negative growth over 2 consecutive quarters which underlines the serious situation ahead.

In recent months the economic outlook has, as previously reported, become less positive. The Russian invasion of Ukraine and continuing international supply chain

challenges have caused a sharp increase in inflation. Residents and businesses across the region are facing significantly higher prices – inflation was 9% in the year to April 2022. The latest UK consumer price inflation figures released for August 2022 was 9.9%. Observers including the Bank of England and Office for Budget Responsibility have revised downwards their forecasts for economic growth over the next two to three years. For the Combined Authority, this both increases the costs of delivery, and shapes future priorities as the region’s challenges shift. The Bank of England has indicated their expectation that inflation will be at 13% at the end of this calendar year.

With continuing uncertainty around the national economic outlook, a review of CA funding allocations has been taking place to consider where additional budget pressures might be felt, particularly due to inflation, and to identify action that can be taken to minimise any impact of the current economic climate. This is contained as part of a separate report to the committee and will form a significant part of all committee reports for the immediate future.

Advice given by: Richard Ennis, Interim Director of Investment & Corporate Services

**Legal Implications:**

- 11 This report monitors how the Combined Authority and the Mayoral Fund are performing against the financial targets set in January 2022 through the Budget setting process in accordance with the West of England Combined Authority Order 2017 and the Combined Authorities Financial Order 2017.

Advice given by: Stephen Gerrard, Interim Strategic Director - Legal Services

**Human Resources Implications:**

- 12 All spend on staffing is within the budget and resources as approved by the West of England Combined Authority committee. Fixed term contracts are applied for staff who are engaged on projects which have time limited funding, (i.e. specific grants).

Advice given by: Alex Holly, Head of Human Resources

**Appendices & Background papers:**

- Appendix 1:** Mayoral Fund Revenue Forecast
- Appendix 2:** West of England Combined Authority Revenue Forecast
- Appendix 3:** Revised 3-year forecasted revenue spend on Investment Fund projects
- Appendix 4:** Variations in spend on Government Funded Projects.

Report Author	Contact Details
Richard Ennis – Interim Director of Investment & Corporate Services	DirectorInvestmentandCorporate@westofengland-ca.gov.uk

**APPENDIX 1**

**(West of England) Combined Authority Mayoral Forecast 2022/23 for the period April 2022 to July 2022:**

	<b>Budget 2022/23 £000s</b>	<b>Forecast 2022/23 £000s</b>	<b>Variance £000s</b>
<b><u>Expenditure</u></b>			
Staff	213	213	0
Supplies & Services	62	62	0
Premises	13	13	0
Support Services	11	11	0
	<b>299</b>	<b>299</b>	<b>0</b>
Mayoral Election -transfer to reserve	346	346	
<b>Mayoral Revenue Expenditure</b>	<b>645</b>	<b>645</b>	<b>0</b>
<b><u>Income</u></b>			
Contribution from WECA Investment Fund	645	645	0
<b>Total Income</b>	<b>645</b>	<b>645</b>	<b>0</b>
<b>Surplus</b>	<b>0</b>	<b>0</b>	<b>0</b>

**(West of England) Combined Authority Revenue Forecast 2022/23 for the period April 2022 to March 2023:**

	<b>Budget 2022/23 £000s</b>	<b>Forecast 2022/23 £000s</b>	<b>Variance £000s</b>
<b><u>Expenditure</u></b>			
Staff	9,646	10,104	-458
Supplies & Services (a)	9,127	12,520	-3,393
Third Party Payments (a)	48,986	63,578	-14,592
Overhead	-677	-677	-0
Recharge Income	-2,382	-1,046	-1,336
Reserves to	212	0	212
<b>Total Expenditure</b>	<b>64,912</b>	<b>84,479</b>	<b>-19,567</b>
<b><u>Income</u></b>			
Levy Transport Function	21,427	21,427	0
Business Rate Retention	600	0	600
Government Grants (b)	19,565	27,166	-7,601
Investment Fund (c)	21,553	32,289	-10,736
Interest on balances	1,600	2,198	-598
Reserve	167	1,399	-1,232
<b>Total Income</b>	<b>64,912</b>	<b>84,478</b>	<b>-19,567</b>
<b>Surplus</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note:

(a) Increases are a direct result of new Government Grants and Investment Fund payments.

(b) New Approved Government Grants detailed in Appendix 4.

(c) Reprofiling and phasing of Investment Fund detailed in Appendix 3.



	2022/23	2023/24	2024/25	Total
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<b>Investment Fund managed by West of England CA</b>				
BTQ JDT	94	0	0	<b>94</b>
Transport Integration – strategic capacity	273	0	0	<b>273</b>
Mass Transit	498	0	0	<b>498</b>
Integrated Smart Ticketing	129	0	0	<b>129</b>
Bus Strategy	1,967	0	0	<b>1,966</b>
Future Transport Zone	2,139	1,454	0	<b>3,592</b>
Strategic Rail Investment	130	50	0	<b>180</b>
Local Walking and Cycling	57	0	0	<b>57</b>
10 Year Rail Delivery Plan	340	80	40	<b>460</b>
Bus Service Improvement Plan	169	0	0	<b>169</b>
Regional Cycle Hangar	100	0	0	<b>100</b>
Bristol to Bath Strategic Corridor	1,675	0	0	<b>1,675</b>
SDS/LTP Shared Evidence Base	1,387	803	333	<b>2,524</b>
Strategic Master-Planning development	75	0	0	<b>75</b>
Strategic Master-planning North Fringe	219	0	0	<b>219</b>
Strategic Master-planning South West Fringe	329	0	0	<b>329</b>
Strategic Green Infrastructure	129	0	0	<b>129</b>
MMC / Housing Innovation / Housing Delivery Strategy	125	125	0	<b>250</b>
High Street Catalyst	290	0	0	<b>290</b>
EV Charging Infrastructure	100	0	0	<b>100</b>
Future Bright extension of project	1,411	1,100	0	<b>2,511</b>
Workforce for the Future (WFTF)	1,547	955	0	<b>2,501</b>
LIS Productivity Challenge	1,296	1023	195	<b>2,453</b>
Research & Innovation Challenge Fund	67	41	0	<b>108</b>
Innovation for Renewal and Opportunity	2,065	3,730	625	<b>6,418</b>
West of England Talent Retention Platform	100	5	0	<b>105</b>
West of England HGV Driver Training Project	160	60	0	<b>220</b>
Business Growth and Adaptations Fund	465	16	6	<b>488</b>
Digital Skills Investment Programme CQ	851	573	0	<b>1,424</b>
Culture and Creative Economic Fund CR	633	0	0	<b>633</b>
Community Support Fund	1,238	122	0	<b>1,358</b>
5G Logistics	21	0	0	<b>21</b>
WoE Visitor Economy Recovery	102	0	0	<b>102</b>
All Age Advice Centre Pilot	94	161	81	<b>336</b>
Community Pollinator Fund	135	676	647	<b>1,458</b>

Cultural Compact Start-Up Investment	220	50	0	<b>270</b>
High Streets – Strategic Review	25	0	0	<b>25</b>
Mayor’s office running costs	644	644	0	<b>1,288</b>
Climate Emergency and Capacity	39	0	0	<b>39</b>

**Sub Total:** **21,338**      **11,668**      **1,927**      **34,867**

	2022/23	2023/24	2024/25	Total
	£000s	£000s	£000s	£000s
<b>Investment Fund managed through UAs</b>				
South Glos by-pass feasibility	73	0	0	<b>73</b>
SGC High Streets - Kingswood	27	0	0	<b>27</b>
Realising Talent [NEET]	118	0	0	<b>118</b>
South Bristol Enterprise Support and Workspace	195	0	0	<b>195</b>
Manvers Street Regeneration	250	0	0	<b>250</b>
East Fringe Master Plan	50	0	0	<b>50</b>
Sevenside Master Plan	100	0	0	<b>100</b>
Frome Gateway & City Centre	565	0	0	<b>565</b>
Charfield Station	1,000	2,014	0	<b>3,014</b>
WE Work for Everyone	381	17	0	<b>397</b>
WE Work for Everyone European Match	381	17	0	<b>397</b>
Reboot West	330	233	36	<b>598</b>
Milsom Quarter Masterplan	91	0	0	<b>91</b>
The Coach House BAME Enterprise & Social Enterprise Hub	57	0	0	<b>57</b>
Bristol City Centre & High Streets	1,882	917	0	<b>2,797</b>
Bath City Centre High Streets Renewal Project	48	48	48	<b>144</b>
Bottle Yard Studios - Hawkfield Business Park	25	25	0	<b>50</b>
Temple Quarter Regeneration Programme	1,757	0	0	<b>1,756</b>
Common Connections	120	103	109	<b>332</b>
Bath River Line-Bristol Bath Railway Path Extension	70	0	0	<b>70</b>
B&NES Masterplanning	1,346	0	0	<b>1,345</b>
Bristol Avon Flood Strategy – Active Travel & Green Infrastructure Greenway	313	169	0	<b>482</b>
Evidence to support Transition from Spatial Development Strategy to Local Plan Making	570	330	0	<b>900</b>
LOHS Bath Local Centres	89	129	18	<b>236</b>
East Bristol Mini-Holland	79	0	0	<b>79</b>
LOHS Bath Local Centres	89	129	18	<b>236</b>
LOHS Bath Local Centres	89	129	18	<b>236</b>

Centre for Digital Engineering Tech & Innovation	856	0	0	856
<b>Sub Total:</b>	<b>10,951</b>	<b>4,260</b>	<b>247</b>	<b>15,451</b>
<b>TOTAL</b>	<b>32,289</b>	<b>15,928</b>	<b>2,174</b>	<b>50,318</b>
IF	32,289	15,928	2,174	50,318
Match Funding	1,927	972	0	2,898
	34,419	16,112	2,139	52,669

## APPENDIX 4

### Government Grants

Project	Budgeted	Forecast	Variance
Business Innovation - ERDF	836	742	94
Adult Education Budget	16,364	16,692	-328
Workforce for the Future	0	1,546	-1,546
Skills Bootcamps Wave 3	0	3,300	-3,300
Multiply	0	1,344	-1,344
CRSTS	1,025	1,025	0
Supported Bus Services	0	1,147	-1,147
Western Gateway Sub-National Transport Body	180	180	0
Local Cycling & Walking	0	30	-30
Mayoral Capacity Funding	1,000	1,000	0
Combined Authority (M10)	160	160	0
	19,565	27,166	-7,601

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## ITEM 16

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE**

**DATE: 23 SEPTEMBER 2022**

**REPORT TITLE: WEST OF ENGLAND COMBINED AUTHORITY HEADLINE ASSESSMENT ON INFLATIONARY PRESSURES AND MITIGATIONS**

**DIRECTOR: RICHARD ENNIS, INTERIM DIRECTOR OF INVESTMENT AND CORPORATE SERVICES**

**AUTHOR: RICHARD ENNIS, INTERIM DIRECTOR OF INVESTMENT AND CORPORATE SERVICES**

### **Purpose of Report**

- 1 The national fiscal and economic situation is an important consideration for the Combined Authority in setting and managing its revenue and capital budgets. This is work in progress and the Combined authority will need to continue this work and engage with our partner Unitary Authorities in this further work on a continuing basis. This report presents a headline assessment on the inflationary risks on that work to date, and mitigations given the significant economic and inflationary pressures our residents and business in the region and country are facing. This is the first stage of the process. An assessment has been completed for the Combined Authority programmes. The next stage will be to look at the programmes managed through UAs. Inflation and the potential recession are issues that will require quarterly updates to Committee for the foreseeable future.

### **2. Recommendations**

The West of England Combined Authority Committee:

1. Agree that the inflationary impact on the Investment Fund reduces the headroom available by £11.6m as shown in figure 7 in section 5.4.
2. Request officers minimise the impact of inflation by funding within approved budgets and ensuring key outputs are delivered on time.

Voting Arrangements:

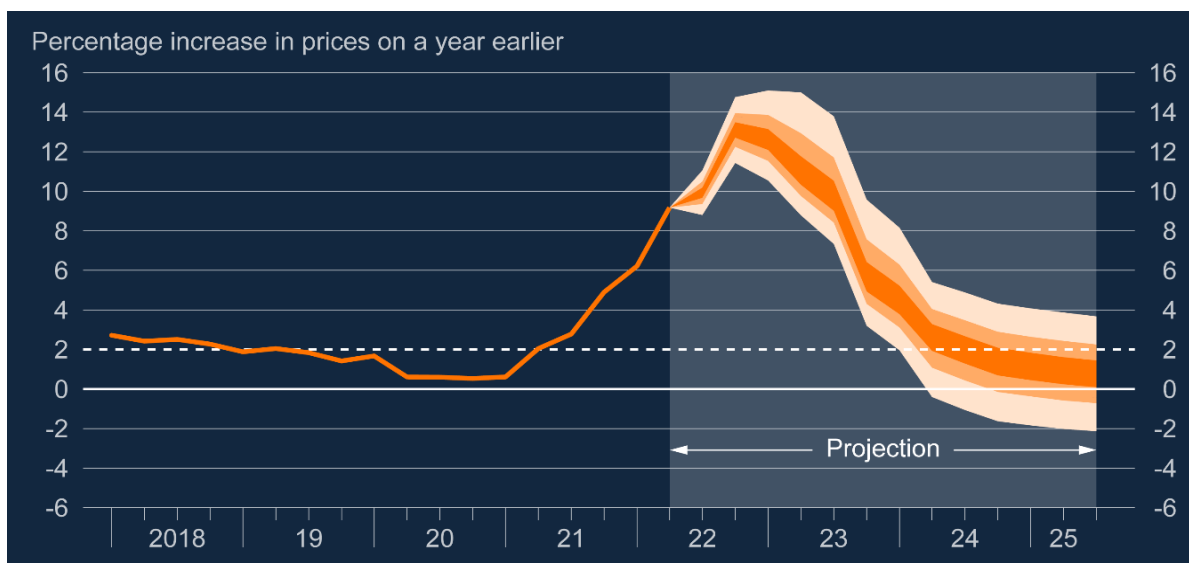
Items 1-2: Decision requires majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and including the West of England Combined Authority Mayor

### 3. Strategic Outlook

- 3.1 The impact of Covid has had a significant impact on the region and resulted in changes to the way the Combined Authority funds have been utilised. The UK and global economy are continuing to feel the effects of Covid and broader pressures, with increasing inflation rates impacting families, communities, employers and businesses.
- 3.2 Over 2021-22, the national economy has returned to growth, and output has reached its pre-pandemic level. Unemployment has fallen, notwithstanding the end of the furlough scheme, and recruitment has risen, resulting in a very tight labour market and rising wage rates. The West of England economy has followed, with claimants of unemployment benefits falling to 2.6% and vacancies around 40% higher than in 2019.
- 3.3 However, in recent months the economic outlook has become less positive. The Russian invasion of Ukraine and continuing international supply chain challenges have caused a sharp increase in inflation. Residents and businesses across the region are facing significantly higher prices – inflation was 9.4% in the year to June 2022. The Bank of England’s August Monetary Policy Report forecast that inflation would rise to a peak of 13% in quarter 4 of 2022. Inflation would decline thereafter but would remain around 9% by mid-2023 before falling back to 2% by mid-2024. Forecasts for key items are summarised below:

<i>Bank of England projections, August 2022</i>	2022	2023	2024
Inflation (CPI), Q4 each year	13% (Q4)	5.5%	1.5%
Energy prices contribution to inflation	6.5 / 13	0.75 / 5.5	0 / 1.5
Unit labour costs	8%	5%	2%

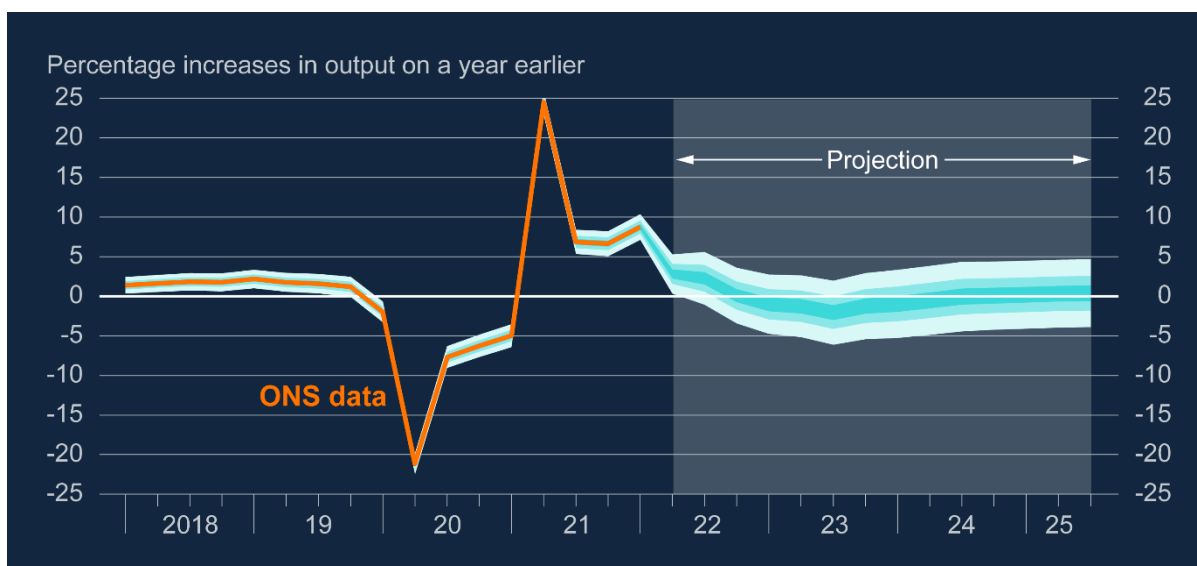
Figure 1: Bank of England forecasts that inflation (CPI) will rise to 13% in late 2022, before falling to 2% by mid-2024



3.4 Of relevance to many of the Combined Authority’s projects, construction industry prices have also risen rapidly in recent months. Construction output prices rose by 9.6% in the year to June 2022, with supply chain issues limiting availability of materials and firms also facing a shortage of labour.

3.5 Deteriorating economic conditions are likely to present a new set of challenges for the region’s economy. Observers including the Bank of England and Office for Budget Responsibility have revised downwards their forecasts for economic growth over the next two to three years.

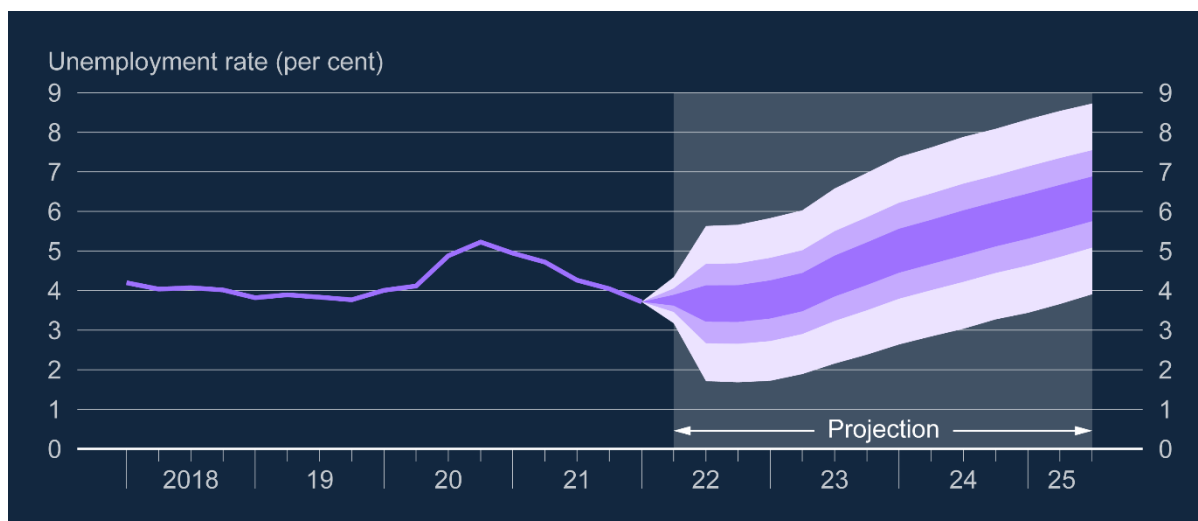
Figure 2: The Bank of England forecasts negative GDP growth from late 2022 throughout 2023



3.6 There is likely to be sustained pressure on living standards as the cost of living rises and real incomes fall. The effects are widespread, but these impacts fall disproportionately heavily on low-income households. Unemployment may also begin

to rise significantly in 2023, as the economy slows, and businesses may experience difficult trading conditions.

*Figure 3: The Bank of England forecasts that unemployment will rise from mid-2023 towards 6%*



- 3.7 For the Combined Authority, inflation, cost of living pressures and a potential recession both increase the costs of delivery, and also shape future priorities as the region's challenges shift.
- 3.8 Further movements in Bank rates are likely to be targeted to manage domestic inflation pressures (such as the pace of wage increases).
- 3.9 With continuing uncertainty around the national economic outlook, a headline review of the Combined Authority funding allocations has been undertaken to consider where additional budget pressures might be felt and to identify action that can be taken to minimise any impact of the current economic climate. The headline assessment has been carried in conjunction with relevant budget managers across the combined authority.

#### 4. Pay

- 4.1 On 27 October 2021, the Autumn Budget and Spending Review 2021 announced that public sector workers would receive "fair and affordable" pay rises across the 2022/23 to 2024/25 Spending Review period.
- 4.2 The Combined Authority is bound by the services pay agreements - having agreed a 1.75% pay increase for public sector workers at the beginning of March 2022 for 2021-22, Unions have already set out their intention to focus on achieving a more substantial, inflation-busting pay rise for 2022/23. The Combined Authority including our local constituents, have budgeted 2% for pay increases, whilst also budgeting for the 1.25% increase in National Insurance Contributions that became effective from April 2022.
- 4.3 Within, the West of England Combined Authority forecast report based on data for the period April 2022 to July 2022 an indicative 4% has been forecasted to account for the potential increase in this area – representing an impact of £248k compared to the original approved budget. Any increases on project related staffing costs will be



absorbed within the relevant project funding pot and correspondingly potential increases on core staff will be funded from overheads and treasury management surpluses.

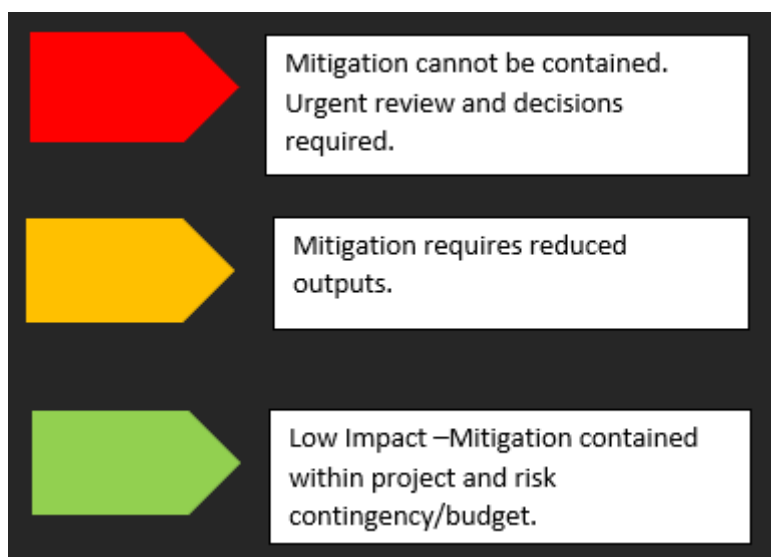
*Figure 4: Impact on staff costs by increasing pay by 1%*

Inflationary Pay Uplift %	Increase on staff costs		
	Core Staff £	Project Staff £	Total £
4%	95,535	152,556	248,091
5%	143,793	228,736	372,529
6%	192,050	304,916	496,966
7%	240,308	381,096	621,403
8%	288,565	457,275	745,840
9%	336,822	533,455	870,278
10%	385,080	609,635	994,715
11%	433,337	685,815	1,119,152
12%	481,595	761,995	1,243,590

Note: Impact of Inflation above the budgeted inflation assumptions.

## 5. Headline Impact Assessment

- 5.1 The likely impact of inflation has increased the risks facing the combined authority in terms of delivering against the financial budget for 2022/23, as well as managing the effect of increased costs in future years. The initial assessment work has utilised the rag rating tool shown below.



- 5.2 The table below provides a summary of initial potential inflationary pressures following the assessment. Programmes 1-5 give an indicative pressure using an 8% inflationary forecast whilst programmes within 6 have had some more specific detailed work undertaken.

The summary assessment is detailed in Figure 5.

Project Funding Source	22/23	23/24	24/25	25/26	26/27	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
1. CA Revenue Government Grants Funded Programmes	2,173	2,347	2,535	2,738	2,957	12,750
2. Revenue Investment Fund managed by West of England CA	1,763	997	156	0	0	2,916
3. Revenue Investment Fund managed through UAs (subject to further work)	876	340	20	0	0	1,236
4. Capital Investment Fund managed by West of England CA	1,152	693	266	900	376	3,387
5. Capital Investment Fund managed through UAs (subject to further work)	1,898	1,360	675	170	0	4,102
6. West of England CA Other Capital Programmes (£85m relates to CRSTS)	26,546	24,097	16,634	13,338	11,155	91,770
<b>Estimated Totals:</b>	<b>34,407</b>	<b>29,834</b>	<b>20,286</b>	<b>17,146</b>	<b>14,488</b>	<b>116,161</b>

\*1-5 include 8% estimates based on a medium inflationary exposure.

## Programmes Identified with Significant Inflationary Pressures

5.3 The Programmes identified with significant inflationary pressures are detailed in Figure 6

Programmes Identified with Significant Inflationary Pressures	
Programme	Mitigations
Supported Bus Services (ITA Levy)	Contracts are due for renewal in April 2023, additional inflation cost will arise. Mitigation work will include the use of other government funding such as BSIP.
Metrowest phase 2 (Construction & Operation)	Outputs to be closely monitored.
City Region Sustainable Transport Settlement (CRSTS)*	Revise programme. Undertake deep dives, market testing, value engineering and minimum value product. Outputs to be closely monitored.
Bristol Temple Quarter (BTQ)	Value engineering, review the scope of the project as necessary. Outputs to be closely monitored.

## Investment Fund Analysis including Programmes managed by UAs

5.4 The analysis below shows the potential exposure on the Investment Fund Programme including programmes managed by UAs that are not controlled directly by the West of England CA. An exercise to liaise with the UAs will take place as part of the ongoing work. The impact exposure could range from as low as c£7m to as high as c £15.5m.

*Figure 7: Investment Fund Analysis*

Revenue	Low Estimate		Medium Estimate		High Estimate	
		£'000s		£'000s		£'000s
Investment Fund managed by West of England CA		1,521		2,916		3,931
Investment Fund managed through UAs (Estimate Subject to Further work)	4%	618	8%	1,236	12%	1,854
		<b>2,139</b>		<b>4,152</b>		<b>5,785</b>
<b>Capital</b>						
Investment Fund managed by West of England CA		2,994		3,387		3,584
Investment Fund managed through UAs (Estimate Subject to Further work)	4%	2,051	8%	4,102	12%	6,153
		<b>5,045</b>		<b>7,489</b>		<b>9,737</b>
<b>Total</b>		<b>7,184</b>		<b>11,641</b>		<b>15,522</b>

## **Investments**

- 5.5 The rising bank rate is likely to have a positive impact on investments for the Combined Authority. The Combined Authority does not benefit immediately from the increasing interest rate. Benefits can start to be realised as existing investments mature and deposits can then be reinvested at a higher rate. A significant element of the Combined Authorities investment income is generated from dividend payments on monies invested in property and multi asset funds. The dividends generated on these investments are not wholly linked to the bank rate and therefore the return on these funds is anticipated to remain relatively static over the coming years.
- 5.6 In addition, the surplus cash balances available for investments are forecast to reduce over the coming years as these are utilised to support ongoing revenue and capital expenditure in the coming years. Given the number of variables it is difficult to quantify the impact of the rising interest rates on the investment income and whether it will be higher than the amounts already included in the Medium-Term Financial Forecast (MTFF).

## **Summary of Actions and Monitoring**

- 5.7 The approved reserves policy is an important element of the combined authority's financial governance arrangements. The combined authority maintains a principal in holding a minimum of 5% in the General Fund Working Balances of the annual net revenue budget.

The Combined Authority's revenue budget for 2022/23, as approved by Committee on 28 January 2022, was £64.9m against which 5% would represent **£3.2m**. As such, our current reserve holding is respectively low, and we will continue to review opportunities for further contributions.

Specific programmes that have been identified as having a significant inflationary pressure – will continue with further deep dives and regular monitoring. The Combined Authority's on-going budget reviews and reporting will include specific information on the financial risk highlighted in this report, as more information is known.

## **Consultation**

- 6 Consultation has been carried out with the Monitoring Officer, Chief Executives, and S151 Officers across the three constituent authorities. Regular meetings are held with the Finance Directors across the region in terms of material financial matters.

## **Other Options Considered**

- 7 Value for Money and appropriate use of resources are constantly considered when monitoring and managing all revenue and capital budgets.

## **Risk Management/Assessment**

- 8 This report forms a core part of the West of England Combined Authority's governance

and risk management process. The financials presented in this report takes account of known financial risks and their potential impact on the outturn financial position.

## **Public Sector Equality Duties**

- 9 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
  - Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - Foster good relations between people who share a protected characteristic and those who do not.
- 9.1 The Act explains that having due regard for advancing equality involves:
- Removing or minimising disadvantages suffered by people due to their protected characteristics.
  - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
  - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
- 9.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.
- 9.3 All key service delivery functions continue to be delivered by the relevant constituent councils and impact assessments for service delivery, particularly highways and transport are included as appropriate within their individual Budget reports.

## **Climate Change Implications**

- 10 On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision-making process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- \* The emission of climate changing gases?
- \* The region's resilience to the effects of climate change?
- \* Consumption of non-renewable resources?
- \* Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/

consideration as necessary as part of their detailed project-specific management arrangements

- 10.1 The criteria applied for the drawdown of investment funding incorporates the impact that any proposed project will have on climate change. Spend on infrastructure projects in particular has a strong focus on improving the availability, and coverage, of public transport whilst reducing congestion on the region's roads.

**Finance Implications, including economic impact assessment where appropriate:**

- 11 The financial implications are contained within the body of the report.  
Advice given by: Richard Ennis, Interim Director of Investment & Corporate Services

**Legal Implications:**

- 12 Reporting is for information only.  
Advice given by: Stephen Gerrard, Interim Strategic Director - Legal Services

**Human Resources Implications:**

- 13 All spend on staffing is within the budget and resources as approved by the West of England Combined Authority committee. Fixed term contracts are applied for staff who are engaged on projects which have time limited funding, (i.e. specific grants).  
Advice given by: Alex Holly, Head of Human Resources

Report Author	Contact Details
Richard Ennis – Interim Director of Investment & Corporate Services	DirectorInvestmentandCorporate@westofengland-ca.gov.uk

**Appendices & Background papers:**

Combined Authority (Revenue) Budget 2022/23 – West of England CA Committee 28 January 2022  
LEP (Revenue) Budget 2022/23 – Joint Committee 28 January 2022  
Investment Fund update reports to West of England CA Committee throughout 2022  
Capital Strategy (including Treasury Management and Investment Strategies) – West of England CA Committee 28 January 2022  
Bank of England Monetary Policy Report August 2022  
Mayoral and West of England CA Budget Monitoring reports as presented to each meeting of the West of England CA Committee.  
LEP Budget Monitoring Reports as presented to each meeting of the Joint Committee.

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE**

**DATE: 23 SEPTEMBER 2022**

**REPORT TITLE: COMBINED AUTHORITY INTERNAL APPROVALS**

**DIRECTOR: RICHARD ENNIS**

**AUTHORS: NUALA WATERS**

### **Purpose of Report**

To secure approval from Committee for an update to the Combined Authority constitution internal approvals levels for project related financial spend and procurement contracts within approved allocated budgets. This is to improve the efficiency of how we process internal project related procurement contracts and payments. It does not impact operational or grant claims payments.

### **1.1 Background / Issues for Consideration**

The Combined Authority Constitution currently has two separate scheme of delegations for financial and procurement contract approvals for spend against approved allocated budgets, as listed below in Table A. It is no longer efficient to maintain the same authorisation levels for spend and contracts. Streamlining the scheme of delegations while maintaining strong controls and audit will ensure our suppliers, partners receive contracts and payments in a timelier manner. Given the impact of inflation on costs it is imperative to improve our processes to secure the best value for money.

In addition, the current scheme of delegations does not reflect the increased portfolio of works that the West of England Combined Authority is required to process. Therefore, an update to the Constitution is sought to address this issue. The amendments we are seeking impact the following sections in the constitution:

- Section 6 – Budgetary Management and Control – Authoriser Limits page B18, B19
- Contract Standing Orders - Appendix 12 Scheme of Delegations – page B108

This request does not apply to the authorisation levels in place for grant or operational payments, for which no amendment to the constitution is sought.

**Table A. Current scheme of delegations listed in the Constitution**

	Current		
Level	Contract Approval	Contract Exemptions	Financial Approval
Programme Mgr			
Head of Service	To EU thresholds	£50k	£25k
Director			£100k

CEO	Above EU thresholds	£50k+ up to EU threshold CEO and S73 or Monitoring Officer must approve (above not permitted)	£100k+
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Approximately 3,587 purchase orders and contracts have been processed in the last year. This is expected to grow as the size and scale of the projects the authority delivers grows in size and complexity. Over 150 of these requests require authorisation by the Combined Authorities Head of Paid Service. The proposal to update the scheme of delegations will ensure that Senior Management are enabled to direct their focus on higher risk or higher value expenditure.

It is proposed to maintain the same level of controls on spend using our finance, procurement and commercial functions to ensure due diligence is carried out on spend items. For any procurement items that contain non-standard risk or legal clauses these will continue to require escalation to S73, Monitoring Officer, Director or the Head of Paid Service as appropriate. The scheme of delegation for other organisations is noted in Table B.

***Table B: West Midlands Combined Authority Scheme of Delegations***

Level	Contract Approval	Financial Approval
Managers	Not exceeding £50,000	Not exceeding £25,000
Senior Manager	Not exceeding £100,000	Not exceeding £50,000
Heads of Service, Programme Directors	Not exceeding £1million	Not exceeding £250,000
Managing Director Tfwm and Responsible Financial Officer (S151) and Metro Programme Director	Not exceeding £5million	Not exceeding £1million
Head of Paid Service and Chief Operating Officer and S151 Officer. Metro Programme Managing Director Tfwm and S151 Officer and Metro Programme Director	Not exceeding £5million	Not exceeding £5million

## **Recommendation**

- It is recommended to update the Combined Authority's Constitution with the revised scheme of delegations as outline in Table C.
- As per the Combined Authorities risk framework if there are items that relate to novel, contentious or high-risk additional approvals and control measures will apply. These items will be determined as part of the risk profile for the project. It is the responsibility of the Head of Service, Finance Business Partners and Commercial team to provide assurance and review to all spend items.



**Table C: Current scheme of delegations listed in the Constitution and recommended scheme**

Level	Current			Recommended		
	Contract Approval	Contract Exemptions	Financial Approval	Contract Approval	Contract Exemptions	Financial Approval
Programme Mgr				£50k		£50k
Head of Service	To EU thresholds	£50k	£25k	£250k		£250k
Director			£100k	£500k	£100k and Head of Commercial	£500k
CEO	Above EU thresholds	£50k+ up to EU threshold CEO and S73 or Monitoring Officer must approve (above not permitted)	£100k+	£500k+	£100k+ up to EU threshold CEO and S73 or Monitoring Officer must approve (above not permitted)	£500k+

### Consultation

3 Not applicable.

### Other Options Considered

4 Leaving the scheme of delegations as is has been considered, however it was discounted as it is not in line with practice in other Public sector organisations and requires a less value for money approach than the proposed update.

### Risk Management/Assessment

5 Given the controls in place for payments and contracts risk mitigation is in place and has been deemed to be sufficient.

### Public Sector Equality Duties

6 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

- 6.1 The Act explains that having due regard for advancing equality involves:
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  - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
  - Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
- 6.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.

**Finance Implications, including economic impact assessment where appropriate:**

- 7 No direct financial implications as a result of this report, as it is about delegated authority. The authority will periodically review the effectiveness of these delegations.

**Legal Implications:**

- 8 Not applicable.

**Climate Change Implications**

- 9 On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety, and wellbeing of the region’s residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision-making process.

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Will the proposal impact positively or negatively on:

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- \* Consumption of non-renewable resources?
- \* Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/consideration as necessary as part of their detailed project-specific management arrangements

**Land/property Implications**

- 10 Not applicable.

**West of England Combined Authority Contact:**

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