

Public Document Pack

A meeting of the
West of England Joint Committee

will be held on

Date: Friday, 27 January 2023

Time: 3.00 pm, or on the rising of the West of England Combined Authority Committee

Place: Avon Hall, Turnberrie's Community Centre, Bath Road, Thornbury, Bristol BS35 2BB

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

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

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Joint Committee Agenda

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- Inspect agendas, reports and minutes of the Authority and all Authority Committees and Sub-Committees for up to six years following a meeting.
- 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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The Openness of Local Government Bodies Regulations 2014 mean that any member of the public or press attending this meeting may take photographs, film or audio record proceedings and may report on the meeting including by use of social media (oral commentary is not permitted during the meeting as it would be disruptive). This will apply to the whole of the meeting except where there are confidential or exempt items, which may need to be considered in the absence of the press or public.

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1. EVACUATION PROCEDURE

In the event of a fire, please await direction from venue staff who will help assist with the evacuation. Please do not return to the building until instructed to do so by the fire warden(s).

2. APOLOGIES FOR ABSENCE

To receive 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

5 - 8

To consider and approve the minutes from the West of England Joint Committee Meeting held on 1 July 2022.

5. CHAIR ANNOUNCEMENTS

To receive announcements from the Chair of the West of England Joint Committee.

6. ITEMS FROM THE PUBLIC (QUESTIONS, STATEMENTS & 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 23 January 2023**.
3. Questions should be addressed to the Chair of the meeting and e-mailed to 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 26 January 2023**. Statements should be emailed to 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 THE CHAIR OF THE LOCAL ENTERPRISE PARTNERSHIP BOARD

The Chair of the West of England Local Enterprise Partnership to be invited to address the meeting.

8. COMMENTS FROM THE CHAIR OF THE WEST OF ENGLAND COMBINED AUTHORITY'S OVERVIEW & SCRUTINY COMMITTEE

The Chair of the Authority's Overview & Scrutiny Committee to present the comments of that Committee.

9. LOCAL ENTERPRISE PARTNERSHIP (LEP) BUDGET SETTING REPORT 2023/24 9 - 24

To consider and approve the Budget in respect of the Local Enterprise Partnership (LEP) for 2023/24. Change request approvals are also included as part of this reporting process.

10. METROWEST 2 25 - 32

To secure approval from Joint Committee on key decisions and associated funding (where applicable) related to this project within the Combined Authority's Rail programme.

Next meeting: Friday, 17 March 2023

DRAFT

Minutes of the West of England Joint Committee , Friday, 1 July 2022

Members:

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

1	<p>EVACUATION PROCEDURE</p> <p>The meeting was held at Midsomer Norton Town Hall and the evacuation procedure was noted.</p>
2	<p>APOLOGIES FOR ABSENCE</p> <p>There were no apologies for absence. Cllr Steve Bridger, Leader, North Somerset Council was welcomed to his first Joint Committee meeting.</p>
3	<p>DECLARATIONS OF INTEREST UNDER THE LOCALISM ACTION 2011</p> <p>There were no declarations of interest.</p>
4	<p>MINUTES</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>CHAIR ANNOUNCEMENTS</p> <p>There were no announcements made by the Chair.</p>
6	<p>ITEMS FROM THE PUBLIC (QUESTIONS, STATEMENTS AND PETITIONS)</p> <p>Twelve 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>Forty-four statements had been submitted in advance of the meeting and these statements had been published on the Authority's website alongside the agenda papers in advance of the meeting.</p> <p>The following members of the public attended the meeting and addressed the meeting on the topic of their statement for up to three minutes each.</p> <ul style="list-style-type: none"> • John Reynolds – Thornbury High Street; • Lindsey Hall – Thornbury High Street; • Chris Tippetts – Thornbury High Street; • Gil Gilroy – Thornbury High Street; • Mr K Woosnam – Thornbury High Street; • Sue Blick - Thornbury High Street; • Andy Chubb - Thornbury High Street;
7	<p>COMMENTS FROM CHAIR OF LOCAL ENTERPRISE PARTNERSHIP</p> <p>Richard Bonner, the Chair of the Local Enterprise Partnership Board attended the meeting and gave comments on the Committee papers on behalf of the LEP Board as follows:</p>

	<p>LEP & IBB Budget Outturn April-March 2022</p> <ul style="list-style-type: none"> ▪ The budget report highlights how the region continues to benefit from the funds overseen by the Local Enterprise Partnership. ▪ I note the number of delays in developing GBF and EDF projects. These are important transport and infrastructure schemes that will benefit our residents and I am keen to ensure they don't lose momentum and are delivered within the necessary timeframes. I am pleased to see we are continuing to use these funds flexibly to ensure time limited funding like the GBF is fully utilised and that schemes remain funded. ▪ We note receipt of a letter to Mayor Norris, and LEP Chair from the DIT dated 29th June 2022, confirming we have had 29 FDI engagements in the region, 14 FDI engagement in multi regions and secured 1081 new jobs created in the previous 12 months.
8	<p>COMMENTS FROM THE CHAIR OF OVERVIEW & SCRUTINY COMMITTEE</p> <p>The Chair of the Authority's Overview & Scrutiny Committee, Cllr Winston Duguid, attended the meeting. The Overview & 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>
9	<p>LEP & IBB BUDGET OUTTURN APRIL-MARCH 2022</p> <p>This report set out a series of recommendations including noting the LEP outturn position for the year and approvals for a Business Case and Change requests.</p> <p>The recommendations were moved by Cllr Savage and seconded by Mayor Rees.</p> <p>Cllr Savage stated that residents' views had been sought at each stage of the process in respect to Thornbury High Street and the proposals had evolved during this process. He felt that the current proposals would help the High Street thrive in the future with the trend of increased online shopping, active travel and biodiversity in public spaces and active travel and biodiversity in public spaces and other long standing challenges facing the town.</p> <p>Cllr Steve Bridger stated that it was important to decouple business performance from car use and increase patronage on public transport. The Thornbury High Street scheme was inline with current government thinking.</p> <p>Resolved:</p> <p>That the Joint Committee:</p> <p>[Voting arrangement: None required – Recommendation was for noting purposes].</p> <p>1. Notes the Revised Analysis of LEP External Grants as at the end of March 2022 as set out in Figure 1;</p> <p>[Voting arrangement: None required – Recommendations were for noting purposes].</p> <p>2. Notes the LEP revenue outturn as set out in Appendix 1;</p> <p>[Voting arrangement: Decision required majority agreement of Committee Members in</p>

	<p>attendance, or their substitutes (one vote representing each Authority) and excluding the West of England Combined Authority Mayor]. It was unanimously agreed.</p> <p>3. Approves the Full Business Case for the Thornbury High Street project and the award of £4.557m through the Economic Development Fund.</p> <p>[Voting arrangement: 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]. It was unanimously agreed</p> <p>4. Approve the change requests for schemes in the Local Growth and Getting Building Fund programme as set out in Appendix 2;</p> <p>[Voting arrangement: Decision required majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) and excluding the West of England Combined Authority Mayor]. It was unanimously agreed.</p> <p>5. Approve the change requests for schemes in the Economic Development and Revolving Infrastructure Fund programmes as set out in Appendix 3.</p>
10	<p>JOINT COMMITTEE GOVERNANCE REVIEW</p> <p>This item was not considered. Cllr Savage stated that the Joint Committee needed more time to consider the work of the Task and Finish group and would propose a new date for this item's consideration in due course.</p> <p>Resolved: That consideration of this item be deferred to a future date.</p>
	<p>Signed:</p> <p>Date:</p>

APPENDIX ONE – PUBLIC STATEMENT

APPENDIX TWO – PUBLIC QUESTIONS WITH ANSWERS

ITEM 09

REPORT TO: WEST OF ENGLAND JOINT COMMITTEE

DATE: 27 JANUARY 2023

REPORT TITLE: LEP BUDGET SETTING REPORT – 2023/2024

DIRECTOR: RICHARD ENNIS, INTERIM ACTING CHIEF EXECUTIVE & DIRECTOR OF INVESTMENT AND CORPORATE SERVICES (SECTION 73 OFFICER)

**AUTHOR: SELONGE RUSSELL, HEAD OF FINANCE
PETE DAVIS, HEAD OF GRANT & MANAGEMENT ASSURANCE**

Purpose of Report

- 1 To consider and approve the Budget in respect of the Local Enterprise Partnership (LEP) for 2023/24. Change request approvals are also included as part of this reporting process.

RECOMMENDATIONS:

The Joint Committee are requested to:

- a) Approve a 2023/24 contribution of £110k per each West of England Unitary Authorities, (to be reviewed for 2024/25 onwards), as match funding to attract the government's LEP Capacity Funding;
- b) Approve a £160k drawdown from the LEP General Reserve to fund the shortfall in 2023/24 LEP operating costs;
- c) Approve the LEP Budget for 2023/24 as set out in Appendix 1;
- d) Comment and Review on the LEP revenue forecast for 2022/23 as set out in Appendix 2;
- e) Approve a £120k drawdown from the LEP General Reserve to fund the shortfall in the 2022/23 LEP Capacity Core Grant;
- f) Approve the change requests for schemes within the Local Growth Fund programme as set out in Appendix 3;
- g) Approve the change requests for schemes within the Economic Development Fund programme as set out in Appendix 4.

Reasons for recommendation

- Statutory Requirements and Recommended Best Practice.

Voting Arrangements:

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

B, D, E, F - 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 purpose of the West of England LEP is to secure the region's continuing and ambitious economic success and attractiveness as a place for its residents to live and thrive and for businesses and communities to grow in a sustainable way.
- 2 Over recent years, Government funding streams have tended to be allocated to places through either Mayoral Combined Authorities or through Local Authorities and the role of LEPs in overseeing funding allocations has shifted towards more of a strategic advisory function. This is consistent with the direction of travel set out in the Levelling Up white paper and conclusion of the LEP Review which has set out Government's intention to integrate LEPs into local democratic institutions.
- 3 The West of England Combined Authority, (CA), acts as the Accountable Body for the range of funding streams on behalf of the West of England Councils and LEP. This report sets out details of the proposed revenue budgets for the LEP for the 2023/24 financial year and provides a forecast against current year budgets.

LEP Delivery and Running Costs and Medium-Term Forecast

- 4 The core running costs of operating the LEP in terms of furnishing the Joint Committee, operating the LEP Board and applying for, receiving, and managing various grant streams has been consistent for several years now. Savings have been enacted where possible, however such opportunities are limited due to the need to retain a two-tier committee structure for managing funding within the region. With increments and staff pay awards, the core costs for 2023/24 amount to £1,086k which are mainly funded by:
 - (a) A core LEP Capacity grant of £375k (Reduced in 2022/23 from £500k) which is approved on a year-by-year basis;
 - (b) Match funding contributions from the four West of England Unitary Councils (£440k);
 - (c) A time limited RIF administrative grant which will be fully utilised by 2023/24 (£112k)
- 5 For the last four financial years the required match funding contribution from each local authority has been reduced from £150k to £110k with the funding gap being met through higher than budgeted returns on cash investments (Treasury Management). However, with the Local Growth Fund concluded in March 2021, LEP cash balances have been low and can no longer generate sufficient revenue returns to support the committed operating costs. In addition to this, In July 2022 confirmation on the arrangements for the 2022-23 LEP Core Funding allocation was received at £375k against a recurring budget to that point of £500k. It is recommended that the funding shortfall for 2023/24 is met through drawing down £160k from the LEP General Reserve. With annual increases in staffing costs, diminishing returns on investments, reductions in the LEP Core grant, local authority contributions will need to be reviewed from 2024/25 onwards.

- 6 Activities covered by the LEP have expanded overtime due to successfully attracting numerous grants into the region. Despite this, we have retained the core staffing levels, and costs, at a relatively steady state. As the majority of spend is staff related, pay award increases will continue to impact on budget requirements over the coming years. A 4.5% pay uplift has been modelled for 2023/24, and then 3% the following year followed by 2% per annum thereafter. The resulting anticipated spend compared to the resources available is detailed in Figure 1.

Figure 1: LEP Core Running Costs Net of Specific Grant Allocations:

	2022/23 Budget £'000s	2023/24 Budget £'000s	2024/25 Budget £'000s	2025/26 Budget £'000s	2026/27 Budget £'000s
Core Staff and Related Overheads*	1,287	1,086	1,119	1,140	1,161
Funded by:					
Unitary Authority Contribution	440	440	440	440	440
LEP Core Capacity Grant**	500	375	375	375	375
Drawdown from Reserve	160	160	160	0	0
RIF Admin grant	184	112	0	0	0
Total Funds	1,284	1,087	975	815	815
Increase / (Shortfall) in funding	(3)	1	(144)	(325)	(346)

* Reduction in staff costs due reduced housing activity.

**Actuals Received in 2022/23 were £375k against the budget of £500k.

Specific Grants and Activities from the LEP Budget

- 7 Specific grant funding of £10.7m was generated in 2022/23 and correspondingly, £6.8m for 2023/24 as detailed in Figure 2.

Figure 2: LEP Specific Revenue Grant Income – Medium Term Forecast

LEP Grant Income	22/23 £'000s	23/24 £'000s	24/25 £'000s	25/26 £'000s	26/27 £'000s	Total £'000s
A - Net Zero Hub (BEIS)	3,789	3,296	1,320	1,037	0	9,442
B - Green Homes (BEIS)	3,908	0	0	0	0	3,908
C - Growth Hub (BEIS)	350	350	0	0	0	700
	8,047	3,646	1,320	1,037	0	14,050
D - One Public Estate (DLHUC)	33	678	0	0	0	711
E - Infrastructure & Investment Plan (DLHUC)	19	183	47	0	0	249
F - LEP Additional Capacity (DLHUC)	104	0	0	0	0	104
G - Careers Hub (CEC+DLHUC)	751	665	579	193	0	2,188
	907	1,526	626	193	0	3,252
H - Creative Scale Up (DCMS)	527	488	428	0	0	1,443
I - AMIF (Ashley Housing)	47	65	0	0	0	112
J - Skills Advisory Panel (DfE)	95	0	0	0	0	95
K - IBB (RIF)	1,083	1,000	1,000	0	0	3,083
L - EDF Management	67	67	67	67	67	335
	10,773	6,792	3,441	1,297	67	22,370

- A. Net Zero Hub: Business, Energy and Industrial Strategy (BEIS) grant to increase the number, quality and scale of local energy projects, to raise local awareness of opportunities and attract private and public finance for energy projects. This grant serves the wider South West Region.
- B. Green Homes: This scheme sets out to improve low energy performance homes. The Revenue element is reflected in *Figure 2* along with planned spend on capital grants as detailed in *Figure 3*. This grant serves the wider South West Region. This is expected to end in 2022/23 as per the table.
- C. Growth Hub: Funding to support local providers and businesses looking to grow, establishing a stronger local economic region. The future certainty of this funding is uncertain beyond 2023/24 although there will be spend commitments beyond this period which will need accounting for.
- D. One Public Estate: Grant funding to support and deliver land initiatives with government and other public sector partners with the aim of rationalising the overall ownership of public sector assets with match funding required from the Investment Fund. The OPE programme is administered by the Local Government Association, with the West of England CA currently acting as the partnership lead for the region. It focuses on providing funds for projects and programmes that focus on housing, co-location & integration, town centre regeneration surplus public sector land deposits and strategic solutions. Through OPE, funds have been given to a range of projects across the region, including recent funding that was announced in November from the Brownfield Land Release Fund which helps councils transform unused, redundant or derelict sites into new housing sites.
- E. Infrastructure and Investment Delivery: Provided to the UAs to support a strategic planning policy framework to sustainably boost the overall housing supply, deliver affordable

housing and accelerate sustainable housing.

- F. LEP Capacity Fund Additional Capacity: Provided to the CA in order to develop an evidence base Local Industrial Strategy. This will end in 2022/23 as indicated in Figure 2.
 - G. Careers Hub: Activity to match business volunteers with schools and colleges to support with their strategic employer engagement.
 - H. Creative Scale Ups: Government grant to help creative industries grow by improving access to expert knowledge and training as well as supporting businesses through training and advice on securing investments.
 - I. Asylum Migration Integration Fund (AMIF): Funded by Ashley Housing, this is digital entrepreneurship and business support for refugee and migrants project, aiming to support the launch, stabilisation and growth of refugee and migrant business through personalised business support.
 - J. Skills Advisory Panel: Provided to the Combined Authority to provide high quality local-level skills analysis and help maintain relationships between local employers and skill providers.
 - K. Invest Bristol & Bath: IBB is funded through the Revolving Infrastructure Fund, (RIF), as part of a five-year deal, (to be reviewed after year three), as approved by the Joint Committee in October 2019.
 - L. EDF Management: For managing EDF programme.
- 8 Overall LEP Grant Funding that has been attracted is now circa £22.4m over the Medium-Term Financial Strategy period, (MTFS), as per Figure 2.
- 9 Many of the grants attracted by the LEP are relatively short term in nature. Any staff recruited to support specific grant funded activities are engaged on a fixed term basis linked to the duration and security of the relevant funding stream.
- 10 The majority of spend relates directly to staff administering the specific initiatives and third-party grant payments being made to local businesses and organisations to help build the local economy and skills of the local workforce.

Revenue Forecast Position

- 11 Appendix 2 details the LEP, (including IBB), revenue forecast for the 2022/23 financial year based on actual information as at the end of December 2022 which shows spend of £12m against an original budget of £9m. The difference is mainly due to the receipt and phasing of additional government grants in relation to the Net Zero Hub and associated Green Homes grant together with IBB and Career Hub. The net forecasted deficit is £120k which is due to the reduction in the Core Capacity Grant. An approval of £120k is recommended to be drawdown to support this year's revenue budget as a result of this shortfall.

LEP CAPITAL BUDGETS

Green Homes to Improve Energy Efficiency In homes

- 12 The LEP received £64.1m of government funding as part of phase 2 of the local authority delivery scheme. There is c£51m allocated for capital grants to improve the energy efficiency of homes of low-income households. Green Homes has delivered the highest number of housing improvements of similar schemes in England but will underspend due to the challenges of contract mobilisation and delivery with other similar government grant schemes running beyond their original end dates. In acknowledgement of this BEIS had approved an extension until September 2022.

Figure 3: Green Homes Grant Analysis

Total Funding	Spend-to-Date	Allocated	Underspend
£000s	£000s	£000s	£000s
64,126	43,798	7,237	13,091

Accountable Body Functions

- 13 The Combined Authority act as Accountable Body for the Local Enterprise Partnership, (LEP), activities, which includes significant capital investment in the region.
- 14 The capital funding streams administered by the Accountable Body include:
- The Revolving Infrastructure Fund (RIF) - £57m
 - The Economic Development Fund (EDF) - £500m
- 15 The RIF Capital Programme is detailed in Figure 4:

Figure 4: RIF Medium Term Capital Programme

Forecast payments / receipts	21/22	22/23	23/24	24/25	25/26	26/27	27/28+
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Total Spend all Schemes	53,662	10,505	10,723	1,381	30	30	0
Total Revolved Funds All Schemes	-18,855	-4,925	-3,021	-4,595	-6,143	-6,143	-18,977
Balance Held	22,193	16,613	8,911	12,125	18,238	24,351	43,328

- 15 The RIF was created in 2012 from funding awards from Government through Regional Growth Fund and Growing Places to create a revolving funding programme aimed at providing the upfront funding to enable development. All the grant funding has been awarded out and claimed, and repayment back to the fund has enabled further schemes to be approved. In line with the RIF principles approved at the Joint Committee in October 2021, the Councils have underwritten repayment timing. Aside from IBB, all of the projects within the RIF programme are delivered by the constituent authorities. The Combined

Authority are the accountable body for the RIF funding, a function transferred from B&NES (the then LEP accountable body) with the creation of the CA.

16 The Economic Development Fund (EDF) was created in 2012 as part of the Growth Incentive through the City Deal and is a £500m fund sourced from retained business rates growth in the area’s Enterprise Zones and Areas. The overall funding, which will operate over 25 years to 2039, is managed by South Gloucestershire Council but the Combined Authority is the Accountable Body for the EDF. The Fund seeks to deliver the schemes which will unlock growth and generate the business rates uplift that will provide the £500m. The EDF is predicated on the Councils borrowing to fund the schemes with the EDF repaying the capital and interest over the term of the fund.

17 The table below shows the estimated practical EDF completions within the time frame of this report:

Figure 5: EDF Estimated Spend within the Medium-Term Financial Strategy (MTFS) period

Forecast Completions	2014 to 2022	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28+
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
EDF	60,797	70,964	81,275	71,239	24,592	23,301	74,183

**EDF Estimated spend above is only looking at the capital repayments over the term of the fund and does not include the interest costs.*

Changes Requests

18 The Joint Committee in October 2019 agreed to delegate approval of changes within stated tolerances for schemes within the approved programme to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils. The changes to the Local Growth Fund and Getting Building Fund programmes which fall outside of these tolerances and require a committee decision are set out in Appendix 3. Appendix 4 sets out the change requests for schemes within the Economic Development and Revolving Infrastructure Fund programmes.

Consultation

19 Consultation has been carried out with the Chief Executives, S151 Officers and the Combined Authority Monitoring Officer. Relevant officers within BANES, Bristol, North Somerset and South Gloucestershire have been consulted with regard to the overall economic recovery activities planned within the region.

Other Options Considered

20 LEP budgets mainly relate to the specific grant income that has been attracted. Consideration was given to increasing the Unitary Authority match funding contributions back to their original levels. However, with the ability to drawdown funding against the LEP reserve, the contributions have again been retained at £110k per authority for 2023/24.

Risk Management/Assessment

21 The West of England Office agreement underpins the LEP. This agreement deals with the risk sharing mechanisms between the relevant councils.

22 Uncertainty still remains in relation to the annual notification, and approval, of the reduced

£375k LEP Capacity Grant which creates volatility in terms of medium-term budget setting. The LEP hold a modest unearmarked reserve to manage financial risk. It is estimated that this reserve will be circa £363k at the start of the 2023/24 financial year (reference Figure 6), against which £160k is recommended to be drawdown to support next year's revenue budget.

- 23 Net Zero Hub Social Housing Decarbonisation Fund Wave 1 – There is a risk we may not deliver all of the outputs and spend all of the budget in time, due to partner governance and supply chain issues. If this happens we may have to repay some of the £4m grant to Government.
- 24 Energy Home Upgrade grant due to the complexities, it is more challenging to identify the correct properties and recruit homeowners. If we aren't able to deliver we may have to repay some of the £5m grant to government.

Figure 6: LEP Forecast Reserve Balance **£'000s**

LEP Reserve balance b/fwd 1st April 2022	760
Drawdown for Local Industrial Strategy – to deliver our region's ambition to be a driving force for clean and inclusive growth.	-36
Contributions towards LEP operating costs (to reduce the corresponding UA contribution for 2022/23 'match funding' LEP Capacity Fund)	-160
Drawdown for specialised work to develop a picture of current digital connectivity across the West of England	-71
pace Cluster grant balance transferred to reserves	-10
Forecasted LEP Reserve balance c/fwd 31st March 2023	483

*£120k drawdown recommendation not included at this stage awaiting approval.

- 25 Uncertainty also exists with regard to the future of Growth Hub funding. We have assumed in the budget that the annual grant will be extended into 2023/24 but we have yet to receive confirmation of this and, with on-going spend commitments against the growth hub, this represents a financial risk.
- 26 There is also risk of not being able to fully spend the Net Zero Hub and Green Homes grants within the required, (extended), timescale as expenditure is affected by external stakeholders timelines and capacity. This could result in having to repay a proportion of unspent grant to government.

Public Sector Equality Duties

- 27 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.
- 28 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.
- 29 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.

Climate Change Implications

- 30 Several of the specific LEP workstreams have a strong focus on improving climate change especially the South West Local Energy Hub, and One Public Estate. Where funds are allocated as grants to local businesses and organisations, the criteria used to prioritise funding allocations will incorporate climate improvement.

Report and advice reviewed and signed off by: *Roger Hoare, Head of Environment*

Finance Implications:

- 31 All financial implications are contained within the body of the report.

Report and advice reviewed and signed off by: *Richard Ennis, Interim Acting Chief Executive & Director of Investment and Corporate Services (Section 73 Officer)*

Legal Implications:

- 32 This report sets out the proposed Budgets for LEP for 2023/24. The budgets have been prepared in accordance with relevant Local Government Financial Regulations, Accounting Standards and relevant Grant Offer Letters. The West of England Combined Authority acts as agent for the transactions of the LEP.

Report and advice reviewed and signed off by: *Stephen Gerrard, Interim Director of Legal*

Human Resources Implications:

- 33 The proposed Budgets include all appropriate staff costs for continuing activities for the LEP.

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

Appendices:

- Appendix 1 Local Enterprise Partnership Budget 2023/24
- Appendix 2 Local Enterprise Partnership Revenue Forecast 2022/23
- Appendix 3 Local Growth Fund and Getting Building Fund – Change Requests
- Appendix 4 Economic Development Fund – Change Requests

Background papers:

(LEP) 2022/23 Revenue Budget Setting Report – Joint Committee January 2022

(LEP) Budget Monitoring Reports to Joint Committee throughout 2022

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 70 Redcliff Street, Redcliffe, Bristol BS1 6AL email:

democratic.services@westofengland-ca.gov.uk

Local Enterprise Partnership Revenue Budget 2023/24 (Inc. Invest in Bristol & Bath)

	2022/23 Budget £'000s	2023/24 Budget £'000s	Increase(+)/ Decrease (-) £'000s
Core Staff and related overheads	1,287	1,086	-201
<u>Grant Funded Spend</u>			
Staff	2,908	2,349	-559
Services and Third Party Payments	4,120	3,882	-238
Overheads	650	562	-88
Total Expenditure	8,965	7,879	-1,086
<u>Funded by</u>			
UA Contribution	440	440	0
Other Government Grants	7,681	6,792	-889
RIF Admin Grant	184	112	-72
DLCG Core and Capacity Grant	500	375	-125
Reserves	160	160	0
Total Income	8,965	7,879	-1,086
Deficit	0	0	0

Local Enterprise Partnership (LEP) Forecasted Revenue 2022/23

	2022/23 Budget £000s	2022/23 Forecast £000s	Variance £000s
Core Staff and Related Overheads	1,287	1,249	-38
<u>Project Spend</u>			
Staff	2,908	2,311	-597
Services & Third-Party Payments (a)	4,120	8,058	3,938
Overhead	650	520	-130
Total Expenditure	8,965	12,138	3,173
<u>Income</u>			
UA Contribution	440	440	0
Other Government Grants (b)	7,681	10,773	3,092
RIF Admin Grant	184	150	-34
DCLG Core and Capacity Grant	500	375	-125
Interest	0	3	3
Reserve	160	277	117
Total Income	8,965	12,018	3,053
Deficit	0	120	120

Note:

(a) Increases are a direct result of extended approved government grants and payments.

(b) Extended Approved Government Grants.

Appendix 3

Change Requests Recommended for Approval

Local Growth Fund

Project	Bath Quays Bridge
Funding awarded	£2.302m
Source:	Local Growth Fund (LGF)
Milestones:	Delay of three months to the Operational milestone (to Nov 22) subject to completion of public realm.
Stated reason for change: The sequencing of the works to the public realm at Bath Quays South has led to a delay in the opening of the bridge.	

Project	Institute of Advanced Automotive Propulsion Systems (IAAPS)
Funding awarded	£10m
Source:	LGF
Milestones:	Delay of 9 months to the IAAPS Advisory Board being established.
Scope	IAAPS advisory board to be replaced with an industry forum event to run in conjunction with the AAPS-CDT summer showcase event.
Stated reason for change: Advisory Board delayed due to resolving building issues and preparation for opening and to be replaced with an industry forum event to maximise industry exposure.	

Appendix 4

Change Requests Recommended for Approval

Economic Development Fund

Project	Bath Quays South
Funding awarded	£11.825m
Source:	LGF/Getting Building Find (GBF) & Economic Development Fund (EDF)
Cost/ Spend:	No change to EDF funding. Increase of £687k match funding taking total scheme cost to £34.54m.
Milestones:	Delays of up to 9 months for public realm design and practical completion
Stated reason for change: Prolonged programme of work due to public realm redesign, delays caused through COVID and associated costs increases.	

Project	Bath Quays North Infrastructure Development Works
Funding awarded	£36.898m
Source:	LGF/GBF & EDF
Milestones:	Delays of up to 1 year to completion of Phase 1 and Phase 2.
Stated reason for change: Ongoing economic uncertainty as a result of the pandemic.	

Project	Kingswood Regeneration Project
Funding awarded	£8,680,000
Source:	IF/Economic Development Fund
Cost/ Spend:	No change to overall funding envelope. Reprofiling £611k funding from 22/23 and 23//24 to 24/25 Revised profile £819k 22/23, £3.701m 23/24 and £3.04m 24/25. Swop of EDF for Investment Fund to support TCF spend.
Milestones:	Delay of five months for start of construction (to Nov 2023) and to completion (Jan 2025).
Stated reason for change: Need to understand the complexity of forecast traffic movement when the Regent Street closure is implemented, and the impact this will have on air quality in residential roads and the risk of triggering a requirement for a new air quality management area.	

Project	Avonmouth Severnside Ecology Mitigation and Flood Defences
Funding awarded	£63.9m
Source:	EDF
Cost/ Spend:	No change to overall funding Reallocation of spend from Client Risk Allowance into Construction Areas 1, 2, 4 & 5
Milestones:	Delay of 3 months to Main Construction Works – Flood Defences & Wetland Areas.
Stated reason for change: Milestone delay due to accommodating remedial earthworks and planting seasons and reallocation of spend as a result of complexities with the construction programme.	

Project	Emersons Green Local Transport Enhancements
Funding awarded	£5.05m
Source:	LGF/GBF & EDF
Cost/ Spend:	No change to overall funding envelope. Swop of £856k EDF in 21/22 and 22/23 for TCF Revised profile EDF 21/22 £0, 22/23 £0, 23/24 £1.408m, total £1.408m Revised profile TCF £856k in 22/23
Milestones:	Delay of 8 months to Complete Newlands Bridge refurbishment and approaches
Stated reason for change: Delay to the completion of the bridge works and Newlands approaches due to the section 106 agreement still not signed with the developer, leading to a reduction in spending in 2022/23 and forecast spend increase into 2023/24.	

Project	Cribbs Patchway Metrobus Extension
Funding awarded	£54.351m
Source:	LGF, EDF & IF/TCF
Cost/ Spend:	Reduction of £7.151m, decreasing overall project cost to £47.2m Swap of up to £1.01m of EDF spend in 21/22 for TCF with Kingswood Town Centre Regeneration receiving the EDF for Investment Fund. Revised EDF profile pre 22/23 £2.878m, 22/23 £0, 23/24, £1.150m, 24/25 £5.201m, total £7.209m Revised IF/TCF 18/19 £791k, 19/20 £11.918m, 20/21 £2.126m, 21/22 £6.307m, 22/23 £4.760m, total £26.912m
Stated reason for change: Reduction due to Network Rail possession cost savings on the Gipsy Patch Lane bridge and sharing costs with other Network Rail projects.	

Project	Thornbury High Street
Funding awarded	£4.577m
Source:	EDF
Cost/ Spend:	No change to overall funding envelope Swap of up to £400k EDF spend in 22/23 for TCF with Kingswood High Street Regeneration Programme receiving the EDF for Investment Fund Revised profile Total EDF £4.177m with profile £2.175m 22/23, £2.002m 23/24, Total TCF £400k in 22/23
Stated reason for change: To manage full TCF spend by 22/23	

Project	Metrowest Phase 1
Funding awarded	£74,259
Source:	LGF, EDF & IF
Cost/ Spend:	Spend reprofiled across years Revised Investment Fund profile (including TCF) £5.245m 21/22, £657k 22/23, £9.958m 25/26, total: £15.86m Revised EDF profile: £19.154m 25/26, £26.173m 26/27, £4.203m, total: £49.531m
Scope:	Addition of 7 new milestones including enhancement of Severn Beach and Westbury services.
Milestones:	Delays to most existing milestones of between 5 and 25 months, including start of main construction works Sept 24 and scheme opening and start of train service Nov 26.
Stated reason for change: Cost changes due to collaborative resolution of funding gap and milestone changes as a result of funding challenges, revised costs and programme	

ITEM 10

REPORT TO: WEST OF ENGLAND JOINT COMMITTEE

DATE: 27th January 2023

REPORT TITLE: METROWEST 2

DIRECTOR: ALISTAIR KIRK

AUTHOR: DAVID JARMAN

Purpose of Report

To secure approval from Joint Committee on key decisions and associated funding (where applicable) related to the following project within the Combined Authority's Rail programme.

1. MetroWest 2

Recommendations

MetroWest 2 - Recommendation to approve the Full Business Case and the award of £13.811m from the Economic Development Fund for stage 1 of the project and the allocation of a further £31.855m for the remainder of the project in line with the current anticipated final cost.

Voting arrangements

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

Background / Issues for Consideration

1 The MetroWest 2 scheme, which includes opening of 3 new stations at Ashley Down, North Filton and Henbury, is promoted by the Combined Authority with an additional £1.995m funding contribution from North Somerset Council.

1.1 The key outputs MetroWest 2 will deliver are as follows:

- Three new railway stations – Ashley Down, North Filton and Henbury.
- Extension of existing hourly Bristol Temple Meads to Filton Abbey Wood services to Henbury Station (Calling at Ashley Down and North Filton Stations)
- Half-hourly (increased from hourly) service from Bristol Temple Meads to Gloucester.

1.2 The following are the primary benefits of the scheme:

- Metro West Phase 2 is expected to return £2 to the economy for every £1 spent.
- 1.3 million people are expected to use the Phase 2 services each year, this will increase if MetroWest expansion continues and the connectivity of the new Phase 2 stations is further expanded.
- Phase 2 is expected to save people 7 million minutes in travel time each year.

- By 2030 Phase 2 is expected to be removing 3 million kilometres from the road network, based on the average petrol car today this is equivalent to over 500 tons of CO₂ each year.
 - The new stations will support over 8,500 thousand new homes.
 - In the West of South Gloucestershire the population is expected to increase by over 75%, this is concentrated around the Filton Airfield development, where two of the new stations in Phase 2 are located.
 - As well as housing North Filton Station will directly serve Bristol's new 17,000 seater YTL Arena, one of the largest multipurpose venues in the UK. Passenger demand from the arena is not included in our analysis and would represent additional revenue.
- 1.3 The anticipated final cost of the project was estimated at Outline Business Case (OBC) stage in June 2019 at £54.163m. The current project anticipated final cost (AFC), including the current approved development budget, stage 1 and stage 2, is £72.613m. This represents an overall AFC increase of £18.45m.
- 1.4 The main reasons for the AFC increase are associated with, but not limited to, the following factors:
- Market prices are greater than those previously estimated, which have been caused by, but not limited to, the following:
 - Increasing underlying inflation and material costs increases.
 - Re-design of Ashley Down Station to widen the station platforms by c. 0.5m, after adjacent landowner Sustrans agreed to transfer the land that was necessary to ensure the platforms would be fully accessible.
 - Re-design of Henbury Station car park and access to reflect emerging flood risk information shared by Environmental Agency (EA).
 - Re-design of Ashley Down and North Filton station footbridges to reflect feedback from BCC and SGC local planning authorities.
 - Budget provision made for YTL public realm and car park scope.
 - More onerous biodiversity offsetting requirements for Henbury Station
 - Increased provision for risk/contingency based on an updated project quantitative risk assessment.
- 1.5 The approval of the Full Business Case (FBC) is planned to be split into two stages because an opportunity has been identified to accelerate the construction of Ashley Down Station, which is further progressed in terms of design, compared to North Filton and Henbury and has planning approval. Accelerating the scheme allows the project to utilise a unique 16-day track blockade in June 2023 which will save the project £2m+ compared to a using typical closures of the railway to complete construction works. The proposed project staging, and associated cost forecasts, are summarised in the table below.

Staging of funding	High-level scope	£M's
Current development stage budget	Feasibility, optioneering, design development. Detailed design and planning approval for Ashley Down Station. SOC OBC and FBC development.	10.408
Stage 1 forecast spend	Construction and opening of Ashley Down Station, secure planning approval for North Filton and Henbury stations and tender detailed design and construction works.	£21.506
Stage 2 forecast spend	Detailed design, construction and opening of North Filton and Henbury stations	£40.7
Total		£72.613

- 1.6 It is expected that the Ashley Down Station will open for passenger use in summer 2024 and North Filton and Henbury Stations will open simultaneously in spring 2025/26.
- 1.7 The detailed design and construction of the new stations and associated rail infrastructure will be delivered by Network Rail (NR) and their supply chain. Bristol City Council are designing and constructing the public realm at Ashley Down station. YTL are designing and constructing the public realm and car park for North Filton station.
- 1.8 Key decisions** required over the coming months to support successful implementation of the project outputs/outcomes are as follows:
- Approval of the second stage FBC submission and award of full project funding (Programmed to be requested in January 2024).

Consultation

- 2 This paper has been developed by the West of England Combined Authority in conjunction with South Gloucestershire Council, Bristol City Council and Network Rail. Other key stakeholders have been engaged through the West of England Strategic Rail Steering Board, West of England Combined Authority Directors and CEO's meetings and the regions Planning, Housing and Transport Board.

Other Options Considered

- 3 Several options have been considered to resolve the current funding gap and discounted at this stage:
- 3.1 Delay the project – There are number of negative implications for pausing the project, which includes, but not limited to, the following:
- Pausing all works would impact the opening dates of the three stations.
 - Pausing the mobilisation of Ashley Down Station specifically would mean missing the planned 16-day track blockade in June 2023. This would mean delivering the main platform and track works in shorter, much less efficient closures of the railway, or delaying the project until an equivalent blockade could be secured. The estimate cost impact of this is £2m+.

- Savings identified during a 'delay period' would likely be outweighed by the loss of the Ashley Down Station track blockade and the ever-increasing impact of inflation of the project costs that would result from a programme extension.
 - Increasing misalignment between the North Filton station and Bristol Arena projected opening dates.
- 3.2 Significantly de-scope the project – De-scoping a station and/or the proposed new services has a significant detrimental effect on the benefits case for the project and Benefits-Cost Ratio. De-scoping Ashley Down Station would reduce the BCR to 1.8:1 and would immediately result in a £2.65m drop in the forecast Transforming Cities Fund spend by the end of 2022/23. Both North Filton and Henbury are situated directly adjacent to new housing developments which are inextricably linked with new rail station. Additional design and construction works would be required to reflect the impact of the proposed infrastructure not being installed, including a turnback facility at North Filton Station, if Henbury Station was de-scoped. Removing either North Filton or Henbury would also result in anticipated cost efficiencies from the schemes being packaged together, being lost.
- 3.3 Secure government funding – In 2021 a request for funding from Department for Transport's 'New Stations Fund' to support Ashley Down Station project was rejected. Department for Transport's Programme Director, Great Western & Wessex advised in November 2022 that current rail specific funding pots, including Restoring Your Railway (RYR) and New Stations Fund, were already committed or oversubscribed. Further, any changes to these funding pots would require sign-off by the Secretary of State.
- 3.4 Cancel the project - There are number of implications associated with cancelling the project, which include, but not limited to, the following:
- By Jan 2023 the CA will have invested £8.43m of costs without delivering any of the anticipated project benefits.
 - Loss of the extensive list of project benefits, including a crucial part of the CA strategic plans for decarbonisation and regional economic development and connectivity.
 - Revenue reversion would apply to the following funds:
 - Local Growth Fund - £3.2m
 - Transforming Cities Fund / IF - £4.13m
 - c.£2.23m of forecasted spend against Transforming Cities Fund will not be spent.
 - Reputational impact associated with the CA/ local authorities not delivering works that have been proposed/publicised for a number of years.
 - Enhanced Bristol Temple Meads – Gloucester half-hourly service would need to be funded by Charfield or another project if the proposed station is to be served by at least 1 train per hour.
 - Condition #36 of YTL's planning permission for Bristol Arena requires the submission and approval of a Rail Service Strategy. It requires delivery of that strategy prior to Arena opening. There are opening year and future (permanent) year scenarios but the opening year scenario is reliant on 3% modal share from rail. Effectively, North Filton station has to be constructed and opened to passenger traffic to enable the Bristol Arena opening.

Risk Management/Assessment

- 4 If the project is cancelled, approximately £300,000 of further spend would be required to bring the project to a controlled stop. The Combined Authority are contractually committed to spending a further £3.887m of revenue subsidies agreed with GWR to support enhanced services being delivered under MetroWest 2 between Bristol Temple Meads and Gloucester.
- 4.1 A full risk register is in place for this project. The top 3 risks on Ashley Down Station project are material availability, potential delays to land transfer agreements between Network Rail, Bristol City Council and Sustrans and the potential for delays in the implementation of the required diversionary route of Concorde Way. All three risk items have the potential to delay site mobilisation and could impact the works completed in the blockade. The material availability risk will be significantly reduced if funding for Ashley Down Station is awarded in January 2023. Lead times on critical materials have been advised by suppliers. Heads of Terms for the respective land transfer agreements have been agreed by Sustrans before Christmas 2022. Diversionary route implementation works are currently under design and the suppliers responsible for the associated works have been instructed by Bristol City Council.

Climate Change Implications

- 5 The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision-making process. These schemes within the Rail Programme are important interventions as we move towards a decarbonised transport system and providing a viable alternative to the private car, and specifically:
- Maximising the opportunities to enhance service in a joined-up way that enables integration of transport services, and, a shift to more sustainable forms of transport.
 - Maximising the opportunities to minimise the carbon footprint of any construction project, through the whole life of the infrastructure.

Finance Implications, including economic impact assessment where appropriate:

- 6 The existing total project funding allocation approved in 2017 (At Outline Business Case stage) is £54.163m. The funding was to be provided through the following funding sources:

Funding Sources:	£M's
Local Growth Fund (LGF)	£3.2
Economic Development Fund (EDF)	£36.5
Local authority public match revenue	£1.1
Investment Fund (IF) / Transforming Cities Fund (TCF)	£11.063
Section 106 (Public Match Capital)	£2.3
Total	£54.163

- 6.1 Funding to support the estimated cost of stage 1 of the project (including project spend to date) is to be drawn from the following funding sources.

Funding Sources:	£M's
Local Growth Fund (LGF) – FULLY SPENT	£3.2
Economic Development Fund (EDF)	£13.811
Local authority public match revenue – FULLY SPENT	£1.1
Investment Fund (IF) / Transforming Cities Fund (TCF)	£13.663
Total	£31.913

The following increases to funding allocations are to be realised to support stage 1 of the project.

Funding Sources:	Current approved funding (£M's)	Required funding for stage 1 (£M's)	Additional funding required (£M's)
Local Growth Fund (LGF)	£3.2	3.2	£0
Economic Development Fund (EDF)	£36.5	£13.811	£0
Local authority public match revenue	£1.1	£1.1	£0
Investment Fund (IF) / Transforming Cities Fund (TCF)	£11.063	£13.663	£2.6
Section 106 (Public Match Capital)	£2.3	£2.3	£0
Great Western Railways	£0	£0.139	£0.139
Total	£54.163	£31.913	£2.739

6.2 The following funding allocations are required to support the current total project anticipated final cost of £72.613m.

Funding Sources:	£M's
Local Growth Fund (LGF)	£3.2
Local contribution – North Somerset Council	£0.3
Economic Development Fund (EDF)	£45.666
Local authority public match revenue	£1.1
Investment Fund (IF) / Transforming Cities Fund (TCF)	£19.908
Section 106 (Public Match Capital)	£2.3
Great Western Railways	£0.139
Total	£72.613

6.3 The following increases to funding allocations are proposed to be realised to support the anticipated final cost of £72.613m.

Funding Sources:	Current approved funding (£M's)	Proposed new funding allocation (£M's)	Additional funding required (£M's)
Local Growth Fund (LGF)	£3.2	£3.2	£0
Economic Development Fund (EDF)	£36.5	£45.666	£9.166
Local authority public match revenue	£1.1	£1.1	£0
North Somerset Council – local authority contribution	£0.0	£0.3	£0.3m
Investment Fund (IF) / Transforming Cities Fund (TCF)	£11.063	£19.908	£8.845
Section 106 (Public Match Capital)	£2.3	£2.3	£0
Great Western Railways	£0	£0.139	£0.139
Total	£54.163	£72.613	£18.45

- 6.4 The Combined Authority will seek to replenish the additional local authority EDF funding commitments should alternative funding sources be identified.
- 6.5 North Somerset Council have committed to identifying a funding source for their additional £0.3m local authority funding contribution detailed in section 6.3. This is in addition to their £2m funding contribution which forms part of the total project EDF funding commitment.
- 6.6 Commitment to spend local authority EDF funding commitments are subject to local authority Full Council / Cabinet approvals.
- 6.7 A review, and implementation, of enhanced governance for this project will be implemented to ensure oversight of project delivery and budgets going forward on the basis of the additional funding allocations.
- 6.8 The first phase funding requests includes forecast operational costs associated with the project, which are estimated to be £3.887m. The operational costs include a revenue subsidy to be paid to Great Western Railways (GWR) covering the assumed difference between the increased revenue and costs of operating the Henbury line and Gloucester line services Henbury and introducing the half-hourly Bristol Temple Meads to Gloucester services.
- 6.9 The economic appraisal of the scheme forecasts a Benefit-Cost Ratio (BCR) of 2.0:1. A BCR of greater than 2.0 represents 'High' value for money. The BCR for phase 1 standalone is 1.7:1 (with wider benefits). This includes the introduction of the enhanced Bristol Temple Meads to Gloucester services.

Land/property Implications

- 7 To enable the design of Ashley Down Station to be constructed, two parcels of land currently owned by Sustrans need to be transferred to Network Rail and Bristol City Council respectively. Heads of Terms for the respective land transfer agreements have been agreed by Sustrans and are now with respective legal teams to agree the formal land transfer documents.
- 7.1 Section 106 agreements are in place with Persimmon (Henbury Station) and YTL (North Filton). Under these agreements, the developers are obligated to provide temporary access for the railway construction works. These Section 106 agreements need to be updated in early 2023 to reflect changes to the station designs, including

the layout change at Henbury, and construction methodologies/access requirements. Both developers have confirmed their agreement to the principle of the proposed changes.

Appendices:

None.

Background papers:

None.

West of England Combined Authority Contact:

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