

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

**DATE: 1 July 2022**

**REPORT TITLE: CITY REGION SUSTAINABLE TRANSPORT  
SETTLEMENT (CRSTS) – DELIVERY MODEL**

**DIRECTOR: ALISTAIR KIRK – INTERIM DIRECTOR OF  
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### **Purpose of Report**

To highlight the need to build momentum rapidly to ensure overall programme execution, whilst in parallel develop the delivery model to govern the programme successfully. In doing this a number of approvals are needed with regards to the delivery model, pipeline of works, funding requirements, building capacity and capability across the CRSTS programme and to approve a number of delegations.

### **Recommendations**

#### **Overall Programme Recommendations**

- **Recommendation 1:** Recommendation to approve the Delivery Model principles to be developed for the CRSTS programme as set out in section 3.3 of the report.
- **Recommendation 2:** Recommendation 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.
- **Recommendation 3:** Recommendation to approve the pipeline and overprogramming list as set out in Table 2 for the CRSTS programme.
- **Recommendation 4:** Recommendation 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).

#### **Delegation Recommendations**

- **Recommendation 5:** Recommendation 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 other Directors of Infrastructure.

- **Recommendation 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 other Directors of Infrastructure.
- **Recommendation 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 other Directors of Infrastructure.
- **Recommendation 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 other Directors of Infrastructure.

## Voting arrangements

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

## 1 Background / Issues for Consideration

The Combined Authority Committee approved the submission of a Strategic Outline Business Case in support of our City Region Sustainable Transport Settlement (CRSTS). As noted at the time, the CRSTS aims to:

- drive growth and productivity through infrastructure investment.
- level-up services towards the standards of the best; and
- decarbonise transport, especially promoting modal shift from cars to public transport, walking and cycling

The settlement consolidates existing funds (to the value of approximately £155m over 5 years) including Integrated Transport Block, Highways Maintenance Funding, Potholes Action Fund and the last year of Transforming Cities Fund (approx. £30m).

The settlement is in addition to existing funding streams, including bus revenue support, cycling and walking funding, Local Electric Vehicle Charging funds etc.

Key Dates can be summarised as:

- 17 September 2021, initial programme submission to DfT
- 27 October 2021, DfT announced CRSTS allocation for Mayoral Combined Authorities. £540m was allocated to the West of England

- 21 January 2022 S151 officers agreed to the £76.219m of Local Contribution to be included within the CRSTS Strategic Outline Business Case.
- 28 January 2022 committee approval of the Strategic Outline Business Case. Submitted to DfT
- 1 April 2022 Letter from Grant Shapps confirming the £540m allocation

## 2 Activity To Date

Following April 2022 letter from Government, the Combined Authority and its constituent authorities have commenced all projects within the CRSTS programme. Also commenced is the setup of the delivery model for the programme and identification of the resource required to deliver. Further information is also referenced in the Delivery Assurance and Budgetary Principles paper also submitted within this committee. The Investment Fund report also for this committee includes a number of CRSTS project requiring approval to move to the next stage, including:

- Regional Station Accessibility
- Thornbury to North Bristol Sustainable Transport Corridor (A38N),
- Chipping Sodbury to Hambrook Sustainable Transport Corridor (A432/A4174),
- A38 South Bristol Sustainable Transport Corridor (Bristol to Hengrove Metrobus extension).

## 3 CRSTS Delivery Model

### 3.1 Government Expectations

The Metro Mayor is responsible for the delivery of the CRSTS programme. DfT will assess performance against the following criteria:

Criteria	Notes
<b>Value for money</b>	DfT want to see economy of scale – through streamlined procurement, buying in bulk etc
<b>Growth and productivity</b>	CRSTS interventions must enable journey time saving and better reliability through strategic intervention.
<b>Levelling up</b>	The CRSTS programme serves a number of areas of deprivation. Creating better connections.
<b>Decarbonisation, especially modal shift to public transport and active travel</b>	The CRSTS will deliver the infrastructure required to enable decarbonisation. Further demand management measures may be required to ensure modal shift away from the private car to public transport.
<b>Local contribution</b>	BCC, SGC and B&NES are contributing a further 20% across the programme. [An agreement is required on how to manage overspend.]
<b>Deliverability</b>	All projects within the programme need to be delivered with the 5 year timeframe. They need to deliver on the criteria above. See below for further information.

**Table 1: CRSTS Criteria**

The funding settlements for all Combined Authorities, along with the outcomes, will be published online. Delivery against the outcomes will be monitored, giving

government and local communities the opportunity to judge each Mayor's performance. Mayors (and therefore Combined Authority Investment Funds) will bear responsibility for cost and schedule overruns.

### **3.2 Current Delivery Model**

The Combined Authority has an Assurance Framework for projects. The Unitary Authorities also have an assurance process for projects. Current projects are either grant funded or the Local Authorities are commissioned to complete. These projects go through the assurance framework at each stage of the project (SOBC, OBC, FBC) for approval to proceed to the next phase. Given the size of the project, it is important to have a proportionate approach, which will include many projects entering the assurance process at OBC stage and sometimes FBC stage. Furthermore, and as set out in the April 2022 CRSTS Committee paper it is proposed that we move to a more programme-based approach.

### **3.3 Options for Delivery**

Given the diverse range of projects within the CRSTS there are different approaches that can be adopted depending on the project type. Three differing approaches to delivery have been identified:

- Centrally coordinated, centrally delivered. Centrally coordinated and centrally delivered by the Combined Authority.
- Centrally coordinated, locally delivered. Centrally coordinated to a greater or lesser degree by the Combined Authority and delivered by the relevant Unitary Authority.
- Locally coordinated, locally delivered. Locally coordinated by the appropriate unitary authority (UA) and delivered by the Unitary Authority (this only applies to ITB maintenance activities).

Whilst the CA is ultimately accountable for delivering the overall CRSTS programme, there are multiple layers to its governance, assurance and delivery.

The proposed governance has four levels:

- CA Committee – accountable for overall CRSTS programme oversight, assurance and approval of funding.
- CA client sponsor team – responsible for delivery of the overall CRSTS programme.
- Project delivery teams – client teams responsible for overseeing the delivery of individual projects.
- Supply chain – consultants and contractors responsible for design and build of individual projects.

The CA client sponsor team is responsible for the outcomes of the programme, the production of business cases for submission to the CA Committee, and the management of risk including contingency.

Work is ongoing on packaging and scheduling of business cases to streamline the process by grouping similar projects into sub-programmes and/or progressing directly

to Full Business Cases. Other ways to streamline the process through delegations for small projects is also included in this paper.

Overall accountability for delivery of the CRSTS programme lies with the CA. Project delivery within the programme could be either managed by the CA, the UAs or a combination, depending on legal responsibilities and the capacity and capability to deliver. Both the CA and UAs would need additional resources for project management. This could be provided through a strategic delivery partner which the CA and UAs can draw down resources as required.

We are currently consulting on the benefits and risks of alternative approaches to the procurement of design and construction services through existing UA supply chains and/or a common 'tier 1' supplier.

Where UAs on behalf of the CA are responsible for delivery of projects, we propose to use a Grant Offer Letters issued by the CA from the agreement on the scope of work, delivery responsibilities and risk management procedures. These letters will also establish arrangements and requirements for reporting, change control and contingency. General ways of working between partners will be set out in a separate Memorandum of Understanding. Department for Transport have been clear that any cost overruns at a programme level need to be met locally.

It is a condition of the funding from Department for Transport that projects within the programme are monitored and evaluated effectively. Funding is required to be set aside for this activity and an evaluation plan needs to be agreed with the Department for Transport. Metrics will include programme, funding, progress against the programmes requirements and levelling up. To ensure all projects succeed the CA will provide appropriate support to the UA on all projects particularly those that start to show concern regarding meeting the set metrics. This requires the need for single reporting and appropriate assurance. It is vital for the region that we deliver successfully. This will be a key confidence builder for DfT demonstrating that we are managing taxpayers money effectively and will enable future funding awards.

**Recommendation 1: Recommendation to approve the Delivery Model principles to be developed for the CRSTS programme as set out above.**

**Recommendation 2: Recommendation to progress the procurement of a strategic programme delivery partner, in conjunction with a broad review of the Combined Authority organisational structure.**

### **3.4 CRSTS Pipeline/Overprogramme**

Central government have requested that we develop and agree a degree of overprogramming (c.10% of the programme total cost). Overprogramming may be achieved either through the inclusion of a reserve pipeline of schemes or by spreading the overprogramming budget across the core investment programme.

Any schemes in the reserve pipeline will undergo a light touch assessment process to ensure alignment with the objectives of the fund. Under the latter option, we must be able to satisfy the Department that our delivery commitments will be clear to our residents, and that the Combined Authority is responsible for sourcing any additional

funding required to deliver the agreed schemes. We do also have the opportunity to introduce new schemes into our delivery plan, and these must be agreed through a formal change control process with the Department.

Name	Description	Estimated Total Cost (£m)
Sustainable Transport Corridor Additional Value pot	This is the opportunity for all strategic corridors to enhance their existing offer through further walking and cycling provision, enhancing connections to rural communities, first and last mile journey improvements and transport hubs	25.1
Liveable Neighbourhoods Additional Value pot	This is the opportunity to enhance the liveable neighbourhood programme once trials are completed.	
Bus Stop Upgrades Additional Value pot	This is the opportunity to upgrade further bus stops outside of the strategic corridors to continue to encourage public transport use.	
Bath City Centre sustainable transport corridor enhancements	This is the opportunity to enhance the Bath City Centre Sustainable Transport Corridor offer including further walking and cycling provision and further improvement for buses accessing the bus station.	11
Concorde Way/ Dovercourt Depot Walking and Cycling Improvements	Off-road extension to C&W strategic cycle route in North Bristol section, replacing current on-road section from Muller Road to Constable Road with high-quality walking and cycling path.	6
Filton to MoD walking and cycling improvements	Improvements to walking and cycling routes alongside the A4174 Ring Road in Filton, from GSW roundabout to the MoD facility.	1.9
Keynsham Road walking and cycling improvements	Creation of a high quality protected cycle and walking route between Bitton Station and Keynsham Station, along the Keynsham Road.	5
Grovesend to Gillingstool Cycling Improvements	Stage 2 of the Thornbury Link, providing a segregated cycle route linking Thornbury to the A38.	5
	<b>Total</b>	<b>£54m</b>

**Table 2: Overprogramme**

**Recommendation 3: Recommendation to approve the pipeline and overprogrammed list as set out in Table 2 for the CRSTS programme.**

### 3.5 Capacity Building / Statutory Function Capacity

It is recognised that UAs have been subject to significant funding cuts, and there is a risk of the under resourcing of statutory functions that could introduce risk and delays to the programme. It is therefore proposed to provide capacity funding and consideration of Investment Fund to ensure there is ringfenced resource to support the programme and that this will be put in place as soon as possible.

Capacity building is required to ensure the programme continues to deliver. Funding is now agreed for 2022/23 but it is the need for certainty of funding over a number of years that will help resolve the resourcing challenges. This further funding will enable the UAs to deliver the services required for the CRSTS programme. These activities will include but may not be limited to:

- Deliver statutory function activities including Planning and Highway Authority duties to support programme delivery
- Create robust teams that can support both Business as Usual activities and the CRSTS programme

The recommendation below is proposed to facilitate effective capacity building within the UAs.

**Recommendation 4: Recommendation 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).**

### 3.6 Programme Decisions outside of the assurance process

There are a number of projects within the CRSTS programme that do not require to go through the full assurance process as set out below.

#### Maintenance Challenge Fund

The maintenance challenge fund and non-highway maintenance fund is a £33m allocation to upkeep and improve structures, sections of highway and other assets on our network. The agreed split and activities within the CRSTS programme are set out below:

Authority	Description of work	Funding Allocation
Bath & North East Somerset Council	Maintenance works to Manver Street, Pierrepont and Bridge Street Bath Road Reconstruction	£8m
Bristol City Council	Maintenance activities to new cut bridges: Goal Ferry Vauxhall Banana St Annes Plus funding to progress St Philips Causeway, New Brislington Bridge	£16m
South Gloucestershire	A432 Route Based Maintenance. Old Sodbury to Downend. Carry out resurfacing works on 9	£8m

Council	separate locations. Locations coincide with 11 traffic signal upgrades. Other associated works include bus stop improvements and cycleway enhancement schemes.	
All	Non-highway maintenance	£1m

**Table 3: Maintenance challenge fund and non-highway maintenance schemes**

These schemes are not required by DfT to be monitored through the process. Historically these funding streams were part of the Integrated Transport Block (ITB), Highway Maintenance Block and Potholes Fund. The ITB maintenance fund is already being sent to the UAs in the usual way.

The nature of these activities do not require to go through the full assurance process and therefore it is recommended that the responsibility for this sub-project within the CRSTS programme is delegated to CEOs.

**Recommendation 5: Recommendation 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 other Directors.**

### 3.7 Delegation of projects £6m and below

The CRSTS programme is unprecedented in its size for the region and the timescale to deliver by March 2027 is challenging. It is essential that efficiencies across the programme are realised to ensure we can deliver to the DfT requirement.

Given that there are a number of larger scale projects that will be delivered towards the end of the programme it is vital to complete those projects that are deemed low risk and low value early. This not only builds confidence with programme delivery but also avoids back end loading of the programme, stacking, and using vital resource that need to deliver the large projects. Within the CRSTS programme these low value projects are:

- Bristol to Bath Railway Path improvements (SGC)
- South Gloucestershire Liveable Neighbourhoods (SGC)
- Bath & North East Somerset Liveable Neighbourhoods (B&NES)
- Bath & North East Somerset Walking and Cycling sustainable links (B&NES)
- Regional Station Accessibility (Lawrence Hill)
- Integrated Smart Ticketing

To ensure delivery of the CRSTS programme, it is imperative that a pragmatic approach is taken with regards to delivery and risk. The larger projects within the CRSTS programme will require time and resources to deliver. Therefore, delegating these low value, low risk projects to Directors to manage, enables better focus on overall programme delivery. Ongoing reviews by the programme review board and escalation to CEOs where agreement cannot be reached will be adopted.

**Recommendation 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 other Directors.**

### **3.8 Specific Delegations required now**

#### **Liveable Neighbourhoods**

These projects focus on the delivery of Liveable Neighbourhoods with area-based improvements designed to encourage local walking and cycling journeys as well as links to public transport, local placemaking and public realm improvements. Trials are required prior to full roll out of the programme along with locally driven consultation and engagement. The approach needs to be fluid to ensure the schemes are accepted and successful. These schemes will require proportionate Business Cases.

#### **Bristol Bath Railway Path project FBC**

The Bristol Bath Railway Path forms part of the National Cycle Route 4. It is the busiest traffic free corridor in the country. Improvements are required to the South Gloucestershire section to increase the safety for users by implementing further lighting and CCTV. This scheme will require a proportionate Business Case.

**Recommendation 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 FADF forms to the Director of Infrastructure of the Combined Authority in consultation with the other Directors.**

### **3.9 Bath Sustainable Walk & Cycle Links (BSWCL)**

This is the first of a number of sub programmes within the CRSTS where we are combining a number of projects together to accelerate the delivery of the CRSTS programme.

BSWCL is a package of pedestrian and cycle measures that were included as separate schemes in the CRSTS programme, but have now been brought together into a single cohesive package. The schemes provide direct links to both the Bath City Centre and Bristol to Bath Strategic Corridor studies, thereby extending the benefits that will be delivered by these projects to a more extensive catchment area. BSWCL includes walking and cycling schemes in the following areas:

- Royal United Hospital links;
- Bath city centre to Weston;
- Sydney Gardens area (improved route for NCN 4 between Great Pulteney Street and the Kennet & Avon Canal towpath); and
- Bath valley floor to Claverton Down.

**Recommendation 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 to Director of Infrastructure of the Combined Authority in consultation with the other Directors.**

#### 4 Risk Management/Assessment

The Programme will develop and manage a detailed risk and opportunities register. The top three risks are:

- Cost increase
- Schedule delay
- Reputational damage

These are caused by, amongst others, a combination of insufficient resource, slow mobilisation, poor estimating, poor scheme design, delays to approvals, lack of integration, not working together, poor delivery execution etc.

The top three opportunities are:

- Collaborative working
- Efficient assurance
- Delegated governance

#### 5 Public Sector Equality Duties

5.1 The CRSTS programme 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 Equality Duties.

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

6 The profile of the capital grant is as follows:

Year	2022/23	2023/24	2024/25	2025/26	2026/27
Funding (£m)	90.961	108.760	108.760	108.760	108.760

The funding has been confirmed by Government and there are no annual funding constraint apart from the final funding deadline of March 2027.

#### Additional Legal Considerations:

7 The CA has the power to 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.

The CA has the power to enter into agreements with local highway authorities.

The CA must comply with the terms of the settlement in order to meet its governance and assurance requirements.

Particular considerations with regard to particular proposals will be detailed when approved.

## Climate Change Implications

- 8 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

- 8.1 The premise of our CRSTS is the decarbonisation of our regional transport system. The region declared a climate emergency in 2019, setting a target to be carbon neutral by 2030. To reach this target, we need to cut 464 kilo tonnes of CO<sub>2</sub> each year, and transport will need to be a major contributor to this. Both our Climate Emergency Action Plan and our Local Industrial Strategy focus on clean, inclusive growth and prioritise the decarbonisation of the transport system.

Significant work has already been undertaken in the region across many sectors, and carbon emissions in the region in 2019 (including North Somerset) are 62% of their 2005 figure. Public sector carbon emissions have dropped by more than 50%, while industrial emissions in Bristol are less than a third of their 2005 baseline. However, progress on reducing transport carbon emissions has been slower than average. The average reduction in carbon emissions from transport has been less than 10% since 2005.

The CRSTS will provide us with the funding and the opportunity to make critical improvements that will aid our decarbonisation goals, with its main focus on increasing public transport demand.

## Land/property Implications

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

**Background papers:**

West of England Combined Authority Committee - CRSTS Paper January 2022

West of England Combined Authority Committee - CRSTS Paper April 2022

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