

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

**DATE: 16 JUNE 2023**

**REPORT TITLE: TRANSPORT SCHEMES**

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INFRASTRUCTURE**

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### **Purpose of Report**

To provide an update to West of England Combined Authority Committee on key transport schemes and to secure approval from Committee on key decisions and associated funding (where applicable) related to the following projects within the West of England Combined Authority's Transport Infrastructure programme:

- i. MetroWest 1 (recommendation 1)
- ii. Local Electric Vehicle Infrastructure funding (recommendation 2)
- iii. Active Travel Fund tranche 4 (recommendation 3)
- iv. Joint Local Transport Plan (recommendation 4)
- v. M32 Sustainable Transport Corridor and Hub (recommendation 5)
- vi. Cycling / walking schemes (recommendation 6)
- vii. City Regions Sustainable Travel Settlement Top Slice (recommendation 7)

### **Recommendations**

The Committee is asked to:

#### ***MetroWest 1***

- 1 Approve the award of £7.775m to fund enhanced rail services on the Severn Beach and Westbury lines for 3 years, drawing down the £4m allocated for programme risk at the March 2023 Committee and £3.775m of additional revenue funding from Investment Fund, as set out in paragraphs 2.1.1 to 2.1.14 of the report.

#### **Local Electric Vehicle Infrastructure (LEVI) funding**

- 2 Approve delegated authority to the West of England Combined Authority Strategic Director of Infrastructure in consultation with the Unitary Authority

Infrastructure Directors to spend the £123k of LEVI capability funding that has been secured and any future capability and capital funding secured through LEVI where there is urgency, subject to successful bids, as outlined in paragraphs 2.2.1 to 2.2.4 of the report.

### **Active Travel Fund**

- 3 Approve delegated authority to the West of England Combined Authority Strategic Director of Infrastructure in consultation with the Unitary Authority Infrastructure Directors to spend the £3.6m of Active Travel Fund that has been secured through the tranche 4 bidding process for schemes as outlined in paragraphs 2.3.1 to 2.3.10 of the report.

### **Joint Local Transport Plan**

- 4 Approve funding of £1.25m to review and update the Joint Local Transport Plan and transport major scheme programme following the publication of guidance from the Department for Transport, as outlined in paragraphs 2.4.1 to 2.4.5 of the report.

### **M32 Sustainable Transport Corridor and Hub (M32 STC)**

- 5 Approve the extension to the Outline Business Case submission date to March 2024 and associated funding of £471k, as outlined in paragraphs 2.5.1 to 2.5.7 of the report.

### **Cycling / walking Infrastructure**

- 6 Approve delegated authority for approval of business cases and subsequent spend and delivery of cycling and walking schemes of £6m and below to the West of England Combined Authority Strategic Director of Infrastructure in consultation with the Unitary Authority Directors of Infrastructure, where there is headroom within a programme and no material impact on other schemes. In the absence of unanimous agreement the delegation reverts to the West of England Combined Authority Chief Executive in consultation with the Unitary Authority CEOs, as set out in paragraphs 2.6.1 to 2.6.7 of the report.

### **City Regions Sustainable Travel Settlement Top Slice**

- 7 Delegate the approval of a Feasibility and Development Funding Application(s) for up to £15.1m for the activities to be undertaken through the City Regions Sustainable Travel Settlement top slice to the West of England Combined Authority Strategic Director of Infrastructure in consultation with the Unitary Authority Directors of Infrastructure, as outlined in paragraph 2.7.1 of the report.

### **Reasons for recommendations**

#### *Strategic Benefits*

- 1.1 Delivery of the Transport investment programme will support growth and productivity across the region and are critical to enabling our net zero transition.

The sustainable transport corridors and walking and cycling routes create a network that will reach far across the region. This scale means we will bring more frequent and reliable bus and rail services, and better cycling and walking infrastructure.

- 1.2 Improving our transport network is a critical step in achieving our net zero transition. Transport represents 46% of the region's carbon emissions, and the level of emissions has not declined in recent decades. The region cannot achieve a sustainable pathway to net zero without significant improvements to public and low-carbon transport options, to reduce reliance on private cars.
- 1.3 Improved links between the region's cities, towns and villages will help provide residents with faster and more sustainable travel options to key employment and education centres. Residents along these corridors will be better able to access appropriate jobs and training, raising productivity and wages.

#### *Investment benefits*

- 1.4 As a Mayoral Combined Authority (MCA) there are a number of external funding opportunities that, subject to meeting the requirements of that funding, mean additional investment can be secured resulting in an expansion of infrastructure, such as walking and cycling facilities, delivering against the identified priorities for the region.

### **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 Metro Mayor.

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

2. Details for each of the schemes are provided below.

#### *MetroWest 1*

- 2.1.1 The West of England Combined Authority's ambitious and systematic rail delivery plan, which includes the anticipated opening of 7 new stations in the region over the next 5 years, is underpinned by the planned introduction of following enhanced rail services:
  - o Half hourly Bristol Temple Meads (BTM) to Severn Beach service
  - o Half hourly BTM to Westbury Service
  - o Half hourly BTM to Gloucester service
  - o Hourly BTM to Portishead service
  - o Hourly BTM to Henbury service
- 2.1.2 These services will deliver a step-change in connectivity within the region, linking people living on and around key arteries into Bristol to housing and work opportunities, whilst forming an essential part of the West of England Combined Authority's plan to decarbonise the transport network.

2.1.3 The West of England Combined Authority has a contractual agreement with Great Western Railways (GWR) which commits the West of England Combined Authority to funding a fixed revenue subsidy for 3 years to operate additional half-hourly rail services between Bristol Temple Meads (BTM)-Severn Beach station, BTM-Westbury station and BTM-Gloucester station, and associated start-up costs. The value of the agreement is £11.662m. Up to March 2023 the West of England Combined Authority's contractual liability was £2.170m. Sign off of the agreement was endorsed by CEOs (delegated by Committee), including North Somerset Council, in September 2021. The rail service subsidies that the West of England Combined Authority are in contract with GWR to fund are summarised in the table below.

Opex funding requirement	Current approved funding (£M's)	Funding required (£M's)	Additional funding required (£M's)	Funding ask to June 2023 Committee
<b>Rail services</b>				
MW1a - Severn Beach Services	£4m*	£3.8873m	£0m	-
MW1a - Westbury Service	-	£3.8873m	£3.887m	£3.775m
MW2 - Gloucester	£3.887m	£3.8874m	£0m	-
<b>Total</b>	<b>£7.887m</b>	<b>£11.662m</b>	<b>£3.887m</b>	<b>£3.775m</b>

\*Funding approved at March 2023 West of England Combined Authority Committee under Investment fund programme risk (see section 2.1.6)

2.1.4 The West of England Combined Authority has been actively engaging with the Department for Transport (DfT) about funding for rail services and station operations since 2021. The aim of these discussions was to secure a funding commitment from them to support the West of England Combined Authority's contractual commitment, including the planned half-hourly Westbury and Severn Beach line services, and to support the future opex funding requirement for Portishead line and the proposed new stations. Discussions with DfT have not progressed as anticipated and we are now in a position whereby we can only recommend a commitment to fund the live rail services and meet our contractual commitment, including the Westbury line services. An independent review will be undertaken and will include lessons learned in this respect.

2.1.5 The West of England Combined Authority wrote to DfT in March 2022 setting out the capital and revenue funding challenge on MetroWest 1 project and the need to work together to resolve this. Following capital funding approval for MetroWest 1 in July 2022 a written commitment was issued from DfT to work with North Somerset Council and the West of England Combined Authority to address the operational funding challenge.

2.1.6 The Severn Beach line enhanced rail services were introduced in December 2021. The Westbury and Gloucester line enhanced rail services were introduced in May 2023.

- 2.1.7 £3.887m of the West of England Combined Authority's funding was agreed by Committee in January 2023 to subsidise the BTM-Gloucester rail services. £4m of the required revenue funding is recommended in this paper to be drawn from Investment Fund 'Programme Risk' which was approved at March 2023 Committee. A further £3.775m is recommended in this paper to be drawn from Investment Fund (revenue) headroom.
- 2.1.8 The total estimated funding requirement to enable the operation of the planned new rail services and stations for 3 years is c. £16m. This funding requirement includes station operation subsidy costs for Portway station, which has been contractually committed by Bristol City Council as part of an agreement with the DfT. A separate change request to draw down the authority's funding is included in the separate Delivery Assurance Report submitted to June 2023 West of England Combined Authority Committee.
- 2.1.9 Subject to approval of the funding requested in this Committee paper, the total unresolved rail operational funding challenge is estimated to be c. £4.5m. This amount includes the estimated revenue subsidy requirement to operate the Portishead line rail services and the estimated revenue subsidy requirement to operate all of the proposed new rail stations. The shortfall in revenue funding for Portishead line rail services was highlighted in the July 2022 West of England Combined Authority Joint Committee paper when the capital funding for the MetroWest 1 project was approved. No contracts are in place at this point, which commits the authority to funding these costs. DfT's expectation that the authority would fund station operational costs for the first 3 years post-station openings was only communicated in November 2022.
- 2.1.10 In June 2023 DfT will be formally asked by the West of England Combined Authority to provide the funding required to address the current estimated funding shortfall and to commit to funding rail services and station operations beyond the initial 3-year funding period. The West of England Combined Authority are working with officers in DfT to agree the proposed funding ask and once agreed, this will then be reflected in an 'advice to ministers' note that will need approval by Treasury before funding can be confirmed.
- 2.1.11 The unresolved rail operational funding challenge is an estimate at this stage and is potentially subject to change. The estimated GWR operating costs are being scrutinised and further work is underway to model the anticipated delta between the assumed additional revenue associated with the new train service and new stations, compared to the cost of operating them (including rail service start-up costs). This work is expected to conclude by the end of June 2023. The estimated costs to operate the new stations vary subject to the proposed station infrastructure, such as the number of platforms and ticket vending machines.
- 2.1.12 Portway Station cannot open without the operation of the live Severn Beach line half-hourly rail services. Charfield Station is dependent on the operation of the live half-hourly Gloucester line services. The Portishead and Henbury line stations (Ashley Down, North Filton, Henbury, Pill and Portishead stations) cannot open without the associated rail services being funded and operated.

- 2.1.13 The remaining funding shortfall related to MetroWest 1 project (Portishead line) specifically must be resolved no later than October 2023. To submit the project Full Business Case (FBC) in early 2024, a clear picture needs to be established for how the capital and revenue funding requirements of the project will be met. Resolution of the remaining shortfall is necessary ahead of FBC submissions for MetroWest 2 and the opening of Ashley Down Station, which are planned in 2024. For these milestones to be achieved, clarity is required on how station operations will be subsidised post-opening and how station and rail services will be funded beyond the initial 3-year period.
- 2.1.14 Capital funding allocations have been made to support the latest project estimates for MetroWest 1 (July 2022) and MetroWest 2 (January 2023). FBC submissions, including updated market-tested estimates, are expected to be presented for both projects in 2024.

#### *Local Electric Vehicle Infrastructure funding (LEVI)*

- 2.2.1 The Office for Zero Emission Vehicles (OZEV) has indicated that the West of England Combined Authority has been allocated £6,644,000 capital funding (from a total national £343m pot) and an additional £564,160 revenue funding (in addition to the £123k already secured), to support the longer-term delivery of EV charging infrastructure.
- 2.2.2 In order to access this funding, the West of England Combined Authority is required to submit information in stages:
- a. LEVI Capital Fund:
    - i. Stage 1 (Expression of Interest (EOI) – deadline for submission 26 May 2023)
    - ii. Subject to a review of the strength of the authority's Stage 1 submission, submission deadlines for following stages are then expected to be:
      1. Stage 2 (Preparation of business case - anticipated deadline December 2023)
      2. Stage 3 (Contract reviews by the support body - anticipated deadline Spring 2024)
  - b. LEVI Revenue Fund:
    - i. Stage 1 (Tranche 1 Revenue Fund Proforma - deadline was 10 March 2023).
      1. The West of England Combined Authority received £123k of revenue funding from OZEV in March 2023, following the submission of a proposal to use this funding to appoint a specialist Electric Vehicle (EV) charging resource.
    - ii. Stage 2 (Tranche 2 and 3 Revenue Fund Proforma - deadline 26 May 2023)
      1. This will provide an additional £564,160, with the West of England Combined Authority and Unitary Authorities working together to develop a revenue funding proposal which is intended to provide the UAs with the additional

funding required to scale up the delivery of new charging infrastructure.

2.2.3 Guidance provided by the LEVI Support Body indicates that capital funding applications will be assessed based on their alignment with the eligibility criteria below:

- c. The funding must support people who are unable to charge 'at home'.
  - i. The majority of chargers must benefit people without off-street parking, and could be a combination of on-street bollards and chargers in LA-owned car parks.
  - ii. It could support other types of chargers, such as for car clubs, chargers for taxis / fleets, and at Park & Ride sites if this helps the commercial case, although the majority of chargers must provide access for residents.
- d. There is a focus on accelerating the commercialisation of, and investment in, low-speed, residential charging infrastructure. To access the funding grant, the West of England Combined Authority's funding proposal must demonstrate that private sector match funding will be secured to match OZEV's funding grant. The West of England Combined Authority must also demonstrate that the maximum possible level of match funding will be sought by committing to a competitive procurement exercise under stage 2 of the application process.
  - i. This means that a direct investment in the Unitary Authority owned and operated Revive chargepoint network using the LEVI funding allocation would not be possible.
  - ii. However, while a competitive procurement exercise is required to access the funding, it is proposed to use an existing procurement framework as the route to procurement. It is expected that this will minimise the time, cost and resource required to undertake procurement, while also providing access to a number of leading chargepoint suppliers with relevant public charging infrastructure capabilities.

2.2.4 The delegated authority is sought due to the requirements of the funding and the expected timescales in which the funding needs to be spent. The delegations will put the West of England Combined Authority and the unitary authorities in the best possible position to meet these requirements.

#### *Active Travel Fund tranche 4*

2.3.1 In January, Active Travel England (ATE) invited local authorities to bid for funding to support walking and cycling infrastructure in their regions. The fund aimed to prioritise construction ready projects that align with Gear Change (the Government's walking and cycling strategy) and wider Government objectives including:

- local growth and productivity,
- tackling public health issues,
- decarbonisation,

- levelling up and cost of living challenges; and
- Increasing participation in active travel amongst underrepresented groups.

2.3.2 ATE set out six criteria for Active Travel Fund tranche 4 (ATF4) schemes in the invite letter:

- Compliance with the ATF4 funding principles:
  - Consideration of a range of users
  - Network planning / Local Cycling and Walking Infrastructure Plan (LCWIP) alignment to ensure schemes are integral to long term investment plans
  - Developed in consultation with local communities
  - Supported by local leaders
  - Have appropriate design review and assurance
  - Commit to ATE change control process
- Design quality and safety as defined by the ATE design tools;
- Value for Money as defined by ATF4 Value for Money guidance;
- Deliverability based on evidence of robust consultation and construction scheduling;
- Propensity to convert short journeys to walking, wheeling and cycling based on analysis of available data; and
- Targeting areas with poor health outcomes and with high levels of deprivation, as defined by the Index of Multiple Deprivation and Healthy Life Expectancy.

2.3.3 During the process ATE highlighted that value for money, deliverability, design quality, and levels of deprivation in the location of the scheme were key criteria and these would be weighted in the scoring system. These criteria have an impact on which schemes should be included in the funding submission and are successful in securing ATF4 funding and could be restrictive to progressing the delivery of high-quality walking and cycling infrastructure in some areas of the region. This has already been raised with DfT and will continue to be subject to discussion with ATE.

2.3.4 A multi criteria assessment framework (MCAF) was created based on the ATE criteria and key weighting to score the schemes that the Unitary Authorities had put forward. This approach enabled the region to include schemes in the funding submission that closely aligned to the ATE priorities for Tranche 4. A further category in the MCAF assessment was 'cost' and how the scheme fit against the indicative allocation of £3.3m for the region. As a result, not all schemes could be included in the bid.

2.3.5 The West of England Combined Authority has been awarded £3.6m as part of Active Travel Fund Tranche 4 to develop and deliver a number of schemes. Not all schemes that were submitted as part of the bid were deemed by ATE to have met all of the criteria.

2.3.6 The schemes that have been awarded funding are outlined in table 1 below.

Table 1 ATF4 funded schemes:



Authority	Scheme Name	Type of Scheme	Funding awarded (£)
BCC	Old City	Construction	1,655,463
CA	Cycle hangars Phase 1	Construction	442,727
BCC	Kenmare Road to Hengrove Park	Development	141,757
BCC	Deanery Road	Development	261,890
BCC	Old Market Junction to Lawrence Hill	Development	259,111
BCC	Malago Greenway	Development	180,855
SGC	A4174 Warmley to Longwell Green	Development	200,000
CA	Cycle hangars Phase 2	Construction	500,000
TOTAL			3,641,803

2.3.7 Delivery of these schemes must now be progressed at pace and delivered within the 2023/2024 financial year. Where construction will extend beyond the financial year, procurement of a supplier must have taken place prior to the end of 2023/2024 and a clear programme of work be outlined for delivery.

2.3.8 Schemes being delivered utilising ATF4 funding will complement schemes being delivered as part of the walking and cycling programme and funded by the Investment Fund and City Regions Sustainable Travel Settlement (CRSTS), such as Bath Quays Walking and Cycling Links, City Centre to Weston, and Midsomer Norton to Westfield.

2.3.9 The West of England Combined Authority is actively progressing new ways of accelerating development and delivery of walking and cycling schemes, including developing designs in advance to prepare to future funding opportunities, and programme level business cases, both of which will be pursued through this funding.

2.3.10 Greater detail on the accelerated delivery approach across the active travel programme is given below in paragraphs 2.6.2 to 2.6.4.

#### *Joint Local Transport Plan –*

2.4.1 The Joint Local Transport Plan (JLTP) sets out the West of England’s local transport policies and transport major scheme programme for the West of England Combined Authority area and North Somerset. A Local Transport Plan is required as:

- It is a statutory duty for all English Local Transport Authorities. The Transport Act 2000 (updated by the Local Transport Act 2008) requires local transport and/or Integrated Transport authorities to prepare a document to be known as the Local Transport Plan to “develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within their area”.
- It is necessary to set out the specific transport policies and interventions required to deliver a Net Zero Transport Network in line with our Climate

Change Emergency Declaration. Carbon emissions from the transport sector have remained stubbornly high, and the JLTP is expected to include Quantified Carbon Reductions (QCRs) which will robustly demonstrate how specific packages of interventions will reduce carbon emissions and by how much.

- Having a compliant JLTP sets out the vision and level of ambition for the region and will be key to securing future transport funding from Government.

2.4.2 Following extensive consultation, the current JLTP was adopted by the West of England Joint Committee in March 2020. The Plan is available on the West of England Combined Authority's website at: <https://www.westofengland-ca.gov.uk/what-we-do/transport/joint-local-transport-plan/>

2.4.3 The JLTP was adopted and the plan states that it will remain under review and further work will be undertaken to build up the evidence base and establish what will be required to reach the 2030 target and this will set the basis for the next JLTP. Since adoption, the legacy impacts of the COVID lockdown on the performance of the transport network have become clearer, the West of England has been successful in a number of funding bids for transport infrastructure and services, and new guidance from the Department for Transport on Local Transport Plans, at the time of writing, is due for publication for consultation imminently.

2.4.4 Engagement with the DfT to date suggests that the new guidance will require LTPs to be updated by Summer 2024. This is a very tight timescale for a full update, but equally it is essential that the JLTP remains consistent with national policy, in particular an expected requirement to set out robust QCRs to demonstrate and monitor success in reducing greenhouse gas emissions from the transport sector, as well as to ensure that future bids for central government funding for major transport schemes continue to be successful. Advice from the DfT suggests that, in order to maintain consistency with national guidance and policy, a fuller update to the JLTP is likely to be necessary. In particular:

- A clear evidence base, pathway and rationale behind the preferred vision and strategy will need to be demonstrated;
- Further carbon modelling will be required to clarify future year scenarios up to 2040, demonstrating that substantial cuts in carbon emissions are deliverable with the programme of investment proposed;
- Good alignment with spatial planning including the West of England councils' developing Local Plans to show that transport and planning decisions are effectively coordinated; and
- Future funding scenarios, and updates to the transport major scheme programme and phasing need to be clearly set out.

2.4.5 Work to update the JLTP will be undertaken in coordination with the West of England constituent councils and North Somerset Council. Consultation on the draft update to the JLTP is expected to be undertaken in early 2024, with adoption of the new JLTP in Summer 2024. In order to prepare the updated plan, including a statutory Environment Impact Assessment, a budget of

£1.25m is required and could be drawn from funding previously allocated for strategic planning and Committee is requested to endorse this allocation.

### *M32 Sustainable Transport Corridor and Hub (M32 STC)*

- 2.5.1 The project team are working to revise cost position in line with a CRSTS re-baselining exercise currently underway. Due to inflation and other financial dependencies, our latest review of costs and risks, compared to budget affordability has resulted in the need to consider phasing the project into affordable outputs. This would result in some elements of the wider, long-term vision being delivered through subsequent phases, subject to funding, including the recently announced CRSTS 2.
- 2.5.2 To achieve a cost compliant project, it is proposed to adopt a two phased approach. Phase 1 would include a multi-modal transport hub site, new junction on the M32, bus lanes inbound (south), a section of outbound (north) bus lane and the reclassification of the motorway, delivered within CRSTS 1, compliant to the funding available and within programme timeframe (subject to approval). This phase would include key parts of the project required to ensure the functionality of the site enabling project benefits to be realised. Phase 2 would include; infill remaining bus lanes, and de-trunking followed by bus stops to deliver greater benefits.
- 2.5.3 Following two decades of consideration of an appropriate location for a transport hub, work is progressing to identify a preferred site adjacent to, and accessed from, the M32 south of Junction 1, as discussed with project partners. A land, planning and property agent has been commissioned to carry out land referencing, initial valuations, and ecology assessments. There is a requirement to engage with landowners and key stakeholders in the vicinity of the northern section of the M32 between J1 and J2 as soon as possible following formal approval of the site location.
- 2.5.4 Further highway modelling is required, alongside highway design iterations to secure in-principal agreement with National Highways (NH) for the proposed site connections onto the M32.
- 2.5.5 NH has advised of their expectations to substantially repair the Eastville viaduct on the M32 (junction 2) due to poor structure condition and safety concerns. The delivery schedule of NH works remains aspirational pending funding, officers continue to work closely with NH. There may be opportunities for the M32 STC project to support NH aspirations, enabling mitigations for the viaduct reconstruction project in the future.
- 2.5.6 As a result of the updates above, primarily the rephasing to achieve budget compliance, there is a need to move the Outline Business Case (OBC) submission date to March 2024 from September 2023. This will allow these vital

pieces of work to take place, recognising the significant changes that have occurred nationally (Autumn 2022 statement resulting in confirmed DfT funding constraints and inflation increasing above Bank of England forecasts) and locally since the previous Committee Paper was submitted. This will also see additional costs being drawn down from within the project budget allocation to support prolongation of the OBC stage meeting cost compliance.

- 2.5.7 The £540m CRSTS award to the West of England Combined Authority included £39.5m for the M32 STC. Following the initial Transforming Cities Fund (TCF) funding of £0.350m, to date £1.464m (3.7% of CRSTS award) has been drawn down from the CRSTS award, to take the project through to September 2023. A further £0.471m (1.19%) is now requested through to completion of the OBC.

#### *Cycling and walking scheme delivery*

- 2.6.1 The West of England Combined Authority is actively progressing new ways of accelerating development and delivery of walking and cycling schemes to meet our ambitious net zero, modal shift, and decongestion targets.
- 2.6.2 Wherever possible, strategic or programme level business cases will be undertaken as early as possible to enable quicker assurance and approvals and maximise use of resource.
- 2.6.3 Business cases for these schemes will also be undertaken in a manner that is more proportionate to their scale and complexity, in compliance with the Local Assurance Framework. Through use of a simplified template and proceeding straight to FBC when appropriate, timescales for delivery will be reduced.
- 2.6.4 The delegation in recommendation 6 will also accelerate the delivery of these schemes through reducing timescales for business case approvals once interventions have been approved by Committee at the Feasibility and Development Funding Application Forms stage, which is not included within this delegation, except where the project scope is included within a Programme Strategic Outline Case that has already been approved by Committee, such as for the CRSTS.
- 2.6.5 The CRSTS re-baselining paper to Committee in October 2023 will clarify that the existing delegation on CRSTS approvals to Directors of Infrastructure on projects below £6m applies to Feasibility and Development Funding Application Forms for schemes within the approved scope of this programme.
- 2.6.6 An increased focus on developing a pipeline of schemes in readiness for future funding opportunities will reduce future project development timelines. This will be undertaken on routes prioritised in the Walking & Cycling Investment Plan (WCIP), which is currently in development, utilising revenue funding awarded at Committee in March 2023.

2.6.7 As part of identifying the strategic cycle network and the development of this pipeline of schemes, the West of England Combined Authority is mapping the existing, planned, and potential cycle network using digital tools. These maps will be available on the West of England Combined Authority’s website when finalised.

*CRSTS Top Slice –*

2.7.1 The costs for CRSTS programme management sit outside of specific CRSTS projects. These include costs for coordinating the programme, programme risk management, implementing regional commercial and procurement strategies (including procuring a Programme Delivery Partner and Tier 1 Contractor), business case coordination, stakeholder engagement, approval of designs, benefits management, monitoring & evaluation, coordinating FOI requests and communications. Up to four percent (4%) of the programme funding has been allocated for this programme management activity. Any projected underspend for this budget will be identified for reallocation across the programme.

*Future4WEST –*

2.8.1 The ambition for an enhanced public transport system in the West of England was first outlined in the 2017 Joint Transport Study (JTS), which aimed to establish a clear direction for the long-term development of transport in the region. Following on from this and several initial studies, work began in 2020 to develop options for new public transport within key transport corridors. Working with representatives from the region’s authorities, this led to the production of first an Options Assessment Report (OAR) and now the development of a draft Strategic Outline Case (SOC) for Future4WEST. This ongoing SOC forms the first stage of the Business Case process as set out below.

→ Strategic Case	Outline	Outline Business Case	→ Full Business Case
<ul style="list-style-type: none"> <li>Establishes the potential scope of the transport proposal</li> <li>Sets out the case for change</li> <li>Confirms investment will support delivery of policy priorities</li> <li>Establishes a set of objectives and looks for options to achieve these</li> <li>Uses an options framework to consider a</li> </ul>		<ul style="list-style-type: none"> <li>Concentrates on detailed assessments of shortlisted options to find optimal solution</li> <li>Detailed planning and assessments</li> <li>Full economic and financial appraisals take place</li> <li>Preferred option identified</li> </ul>	<ul style="list-style-type: none"> <li>Confirms the conclusions made in the SOC and OBC</li> <li>Procurement phase</li> <li>Records contractual arrangements</li> <li>Confirms affordability</li> <li>Puts in place management arrangements for the delivery, monitoring and post-evaluation phase</li> </ul>

longlist of options to a shortlist of viable options for more detailed appraisal at OBC

- Concludes in an investment decision point

2.8.2 The draft SOC will set out the strategic need for transport investment in the West of England and potential wider economic and environmental benefits that a Future4WEST solution could bring to the region, should an appropriate solution be identified.

2.8.3 The development of the SOC is now in the final stages. Assurance work received has identified some tasks to be completed to finalise the SOC and we have received additional proposals from a partner to be considered within the SOC. The intention is to present the SOC and next steps at the October committee meeting.

### *CRSTS re-baselining*

2.9.1 The £540 million CRSTS Programme is now entering the second of a five-year delivery period.

2.9.2 Although the West of England Combined Authority included cost contingency in case of cost-pressures in the original Strategic Outline Business Case, this was based on forecasts available when it was originally submitted in January 2022.

2.9.3 With the Consumer Prices Index (CPI) rising by 10.4% in the 12 months to February 2023, the MCA has consistently communicated to DfT through three rounds of quarterly monitoring reports that inflationary pressures are the pre-eminent risk to successful delivery. The Committee also considered a report in September 2022 on inflationary pressures and mitigations.

2.9.4 The 2022 Autumn statement confirmed HM Treasury position with regard DfT funding allocation. The DfT are required to operate within their existing allocation with no funding flexibility to mitigate for inflation. Consequences of this position have been seen nationally through descopeing national infrastructure programmes.

2.9.5 To ensure delivery plans for our West of England CRSTS funding remain realistic and effective in the current fiscal environment, the DfT has offered all Mayoral Combined Authorities the opportunity to submit proposals for re-baselined profiles to help alleviate inflationary pressure, enable delivery within the existing grant offer, and to ensure we are being held accountable to an achievable programme of delivery by the DfT and the public.

2.9.6 Proposals should be submitted to the DfT by 29th September 2023 however, given that the proposal requires Committee approval, and the autumn

committee date is currently 6th October 2023, the West of England Combined Authority is in discussions with the DfT to extend the deadline by a week.

## **Consultation**

3. This report has been developed by the West of England Combined Authority in conjunction with South Gloucestershire Council, Bristol City Council and Bath and North-East Somerset Council. Unitary Authority officers have been engaged on scheme specifics through a range of working groups. Other key stakeholders have been engaged through West of England Combined Authority Directors and CEO meetings.

### *Working with unitary authorities:*

- 3.1.1 In relation to MetroWest 1, sign off of the West of England Combined Authority's contractual agreement with GWR was endorsed by CA CEOs, including representation from North Somerset Council, in September 2021.
- 3.1.2 In addition, the funding risk surrounding rail operational costs was raised at West of England Combined Authority Joint Committee in June 2019, the CEOs meeting held March 2022 and subsequently as part of the MetroWest 1 Committee paper submitted and approved in July 2022.
- 3.1.3 The West of England Combined Authority has a number of officer working groups that have been used to discuss key issues impacting the transport programme of investment.
- 3.1.4 In order to develop a set of compliant and ambitious proposals for the LEVI funding, West of England Combined Authority officers have been working closely with the Unitary Authorities and North Somerset Council. This includes officers who are part of the West of England EV Charging Working group, who provided information in a series of one-to-one interviews, group workshops. Subject to a successful EOI this collaborative way of working will need to continue in relation to the future stages of the bidding process.
- 3.1.5 The bid for the ATF4 was developed in consultation with the Unitary Authorities. Schemes within the programme have gone through or will undergo public consultation individually, which is a requirement of the funding.
- 3.1.6 In order to develop the draft Walking and Cycling Investment Plan (WCIP), the West of England Combined Authority has consulted and worked with the Unitary Authorities. Discussions have been held through a series of one-to-one meetings and group workshops.
- 3.1.7 Throughout the development of the SOC for Future4WEST we have held regular meetings with representatives of the Unitary Authorities and the draft SOC has also been considered by Infrastructure Directors and CEOs. The feedback from these meetings will inform the progression of the SOC.

- 3.1.8 The West of England Combined Authority have actively engaged with the UAs during the development of the M32 project at both working group level and through infrastructure Director's meetings. The proposal to delay the OBC was discussed initially with the working group along with the phasing to meet CRSTS timescales. Subsequently this has been discussed at formal Directors in April 2023 and May 2023. This proposal aligns with the current re-baselining exercise.
- 3.1.9 CRSTS Programme Management costs and the proposed 4% funding top slice to cover these were discussed and agreed with all senior UA Directors in 2022. Such arrangements were formalised through the sign-off of a CRSTS Memorandum of Understanding between all parties.
- 3.1.10 We are developing our CRSTS re-baselining plans for the successful delivery of the programme which are being shaped in consultation with Unitary Authorities and key stakeholders. We are working with UA Project Managers, Programme Managers, Heads of Service and Directors, using regular forums and specific workshops as the mechanism for meaningful discussions. The re-baselining plans are being developed around five clear principles to help guide our approach including:
- A clear vision of what we want to achieve with this programme. Delivery areas are clearly defined with bold yet deliverable objectives, making sure that the expected outcomes are straightforward.
  - Defined roles and responsibilities. Everyone involved in re-baselining understands what is expected from them and there is a pro-growth and a delivery-focused mindset.
  - Ensuring that budget is identified and allocated effectively and efficiently to deliver value for money and benefits realisation.
  - Active stakeholder engagement. The programme entails a great degree of change across communities, and parties involved are consulted and will be part of the delivery.
  - Identification of the dependencies. The projects within the programme have significant overlaps and dependencies with each other, and with broader transport, land-use and economic plans for the region. From the outset, we are clear about these linkages.

#### *Public Engagement / consultation*

- 3.2.1 A key stage in the update of the JLTP will be public consultation on a draft Plan. A key focus will be to reach out to as wide a range of residents and stakeholders as possible, through a combination of web-based media and a potential launch event. A consultation report will then be produced summarising the results and where necessary amendments made to the draft Plan prior to adoption. The timing of this consultation will be confirmed following the publication of the DfT guidance.



3.2.2 As referred to in paragraph 2.6.6, the WCIP is currently being developed and the prioritisation of routes included within the final plan will be informed by an engagement exercise which is planned for late summer 2023. This plan will then be used to inform schemes that should be included in future funding opportunities in order to secure additional investment in the region to expand walking and cycling infrastructure.

## **Other Options Considered**

### **MetroWest 1**

4.1.1 The West of England Combined Authority secured funding totalling c. £16m to subsidise all of the proposed new rail services and stations for 3 years. DfT would be asked to fund the operational costs of all MetroWest enhanced services and new stations beyond the initial 3-year period. This option is not currently recommended as the option to secure alternative funding contributions other than from DfT have not yet been exhausted.

4.1.2 Plans for the introduction of specific rail services and/or stations are curtailed, including potential consideration of early termination of the GWR agreement. This option is not recommended as curtailing Severn Beach, Gloucester, Henbury and/or Portishead line services would currently prevent the opening of planned rail stations on these lines. Curtailing planned Westbury line services significantly undermines the MetroWest 1 (Portishead Line) FBC. Depending on the timing of this option being implemented, the West of England Combined Authority would be contractually liable for costs incurred to date by GWR.

### **External funding opportunities**

4.1.3 With regard to the funding opportunities relating to LEVI and ATF4 the alternative option would have been not to submit funding bids to OZEV and ATE. This option would have resulted in a lost opportunity to secure additional investment into the region and the ability to expand infrastructure relating to electric vehicles and active travel and contribute to delivering the regions transport priorities. For these reasons this option was not taken forward.

### **M32 STC**

4.1.4 A number of options regarding the progression of the OBC were considered before refining to two options for consideration by Infrastructure Directors. These two options, that would still allow progression in line with the latest cost constraints and programme, were presented to Directors in April:

- I. Produce a OBC light for September 2023 that covers the principles with an outline high level cost and programme and a full OBC to follow in early 2024
- II. Produce the full OBC for submission in January 2024 recognising that the risk areas would need to be addressed to achieve this revised date

- 4.1.5 The 2nd option was recommended and agreed in principle subject to further review. This option would result in the most cost-efficient way of delivering the OBC with no need to revisit certain elements, whilst the project development continued. Conversely, option 1 whilst delivering an evolving OBC as originally planned in September would cost more, involve duplicated/abortive work and additional governance. The further review highlighted challenges fitting the decision pathway into the programme, including DfT and NH reviews, resulting in a change to a March 2024 OBC submission date being proposed.

#### *Cycling and walking scheme delivery*

- 4.1.6 Changes to the business case process, including the recommended delegation, are not carried out and the programme proceeds with the current business-as-usual approach. This option is not recommended as it would lead to extended project timelines, slower delivery, and not assist the West of England Combined Authority in meeting its modal shift, decarbonisation, and decongestion targets.

### **Risk Management/Assessment**

#### Metro West

- 5.1.1 Rail operational costs present a risk to the delivery of enhanced rail services and additional stations across the region. While the DfT's funding position remains in negation, the West of England Combined Authority and Unitary Authorities agreed to enter into a legally binding agreement with the principal train operator within the region to meet the immediate operational funding requirement. Failure to comply with the full terms of the agreement, including making payments as specified within the contract schedules, could result in either;
- Removal of rail services within the region
  - Legal action
  - Interest paid on unpaid invoices
- 5.1.2 Failure to comply with the terms of the agreement has begun to erode relations with the DfT, which may lead to further funding challenges for capital investment the DfT has currently committed for MetroWest 1, Portishead line.
- 5.1.3 Should DfT not agree to fund the subsidy of all or some of the remaining enhanced rail service costs (Portishead line) and station operating costs for the initial 3 years and beyond, the West of England Combined Authority could be faced with a decision to either commit to subsidise the operations, secure funding from other authorities benefiting from the proposed stations and services or curtail plans for future station/rail service introductions. No formal budgetary provision has been made by the West of England Combined Authority to reflect this potential eventuality.

### External funding

- 5.1.4 For the external funding that has been secured to progress schemes relating to walking and cycling and EV charging infrastructure there is a risk of not meeting the conditions of the funding, such as funding being committed within the required timescales. This risk has been mitigated by working with Unitary Authorities to develop the funding bids. In addition, the delegations sought within the recommendations of this report will result in approvals being able to be secured in a timely way.

### M32 STC

- 5.1.5 The project team continues to work collaboratively with partners to achieve an agreeable outcome within the funding and programme constraints. The revised OBC date contains risks, including dependencies on others which will require detailed handling to achieve the desired outcomes. These risks include interface with NH, limited resource capacity within NH to meet approval timescales, unknown environmental factors for the chosen transport hub site (currently being assessed), regional governance and DfT alignment.

## Public Sector Equality Duties

- 6.1 In coming to any decision Committee Members must comply with their duties under the Equality Act 2010, in particular the public sector equality duty under section 149 and the duty under section 29 not to discriminate when providing a public service and to make reasonable adjustments. Under the Duty the relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion, sex, and sexual orientation.
- 6.2 The impact on people with protected characteristics will be considered as part of policy and scheme development. To assess these impacts and any mitigation measures required an Equality Impact Assessment (EqIA) will be completed on a case by case basis.

## Climate Change Implications

- 7.1 The West of England Combined Authority's Climate and Ecological Strategy and Action Plan (CESAP) 2023 has been considered in the production of this report. The recommendations in this report contribute to the delivery of a number of actions in the CESAP, most notably:
- Improving frequency and accessibility of trains through delivery of new train lines and stations (via MetroWest Phase 1a, Phase 2 and CRSTS) (recommendation 1)
  - Increase walking, cycling & wheeling by: working with partners to submit applications for additional schemes to future active travel fund (round four) (recommendation 3).
  - Supporting councils and regional partners in their walking and cycling initiatives (recommendation 3 and 6)
  - Reviewing our Joint Local Transport Plan to confirm the policies which will substantially cut greenhouse gas emissions to prioritise options progressed

- in terms of their carbon and environmental impact (recommendation 4)
- Increase uptake of electric and net zero fuel vehicles (recommendation 2)

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

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

8.1 For recommendation 1 (MetroWest 1) the £4m approved at March 2023 Committee against 'Programme risk' is recommended to be allocated to the project to fund the subsidy of Severn Beach line rail services. A further £3.775m is recommended for approval to fund the subsidy of Westbury line rail services. The below table summarises the financial implications for Recommendation 1.

MetroWest 1 Operational costs -

Opex funding requirement	Current approved funding (£M's)	Funding required (£M's)	Additional funding required (£M's)	Funding ask to June 2023 Committee
<b>Rail services</b>				
MW1a - Severn Beach Rail Services	£4m	£3.887m	£0m	-
MW1a - Westbury Rail Services	-	£3.887m	£3.887m	£3.775m
MW2 – Gloucester Rail Services	£3.887m	£3.887m*	£0m	-
<b>Total</b>	<b>£7.887m</b>	<b>£11.662m</b>	<b>£3.887m</b>	<b>£3.775m</b>

- 8.2 No funding has been provisioned to cover future forecast rail revenue costs beyond the funding requirements set out in the table above and funding to subsidise Portway Station operational costs. This is based on the assumption, subject to further work and confirmation that DfT will provide the necessary funding to subsidise (where required) future forecast rail service and station revenue costs related to the MetroWest programme.
- 8.3 Recommendation 4 (JLTP) involves the use of £1.25m of existing committed funding for Strategic Master Planning for the JLTP. Strategic Master Planning had an original allocation of £5.75m of which £2.525m has been utilised. Funding available after developing the JLTP will be £1.975m.
- 8.4 In respect of the proposed CRSTS top slice for programme management costs those funds have already been safeguarded and there is no further financial burden.

8.5 There is no further ask in terms of funding for Future4West at this stage. Currently £3.361m has been allocated for developing the SOC, of which £3.088m has been utilised. The remaining £273k of already approved available budget will be spent on finalising the SOC. A further £13.639m of Investment Fund has been ring fenced for future stages, agreed in April 2022.

Report and advice reviewed and signed off by: Stephen Fitzgerald, Section 73 Officer.

**Legal Implications:**

9.1 These matters are within the authority of the West of England Combined Authority.

Report and advice reviewed and signed off by: Tom Clark, Head of Law and Governance

**Human Resources Implications:**

10.1 Not applicable.

**Land/property Implications**

11.1 Not applicable.

**Appendices:**

*List any appendices to the report:*

**Background papers:**

*Insert details (any documents listed will need to be made available for public inspection on request – where possible, insert links to documents quoted)*

**West of England Combined Authority Contact:**

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