

**REPORT TO: MAYORAL COMBINED AUTHORITY COMMITTEE**

**DATE: 15 MARCH 2024**

**REPORT TITLE: INVESTMENT FUND PROGRAMME**

**RESPONSIBLE OFFICER: STRATEGIC DIRECTOR OF RESOURCES**

<b><u>Key Decision</u></b>	<b>Yes</b>
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<b><u>Purpose of Report</u></b>
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To update on the overall Investment Fund programme and headroom.
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<b><u>Recommendation</u></b>
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That Committee:
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| <ol style="list-style-type: none"> <li>1) Approve the Feasibility and Development Funding Application for the Digital Office Pilot, as set out in paragraphs 6 -10, and the award of £2.519m to produce a Full Business Case by March 2027, and to delegate the approval of the detailed scope of work and ongoing oversight of the project to the West of England Mayoral Combined Authority's Strategic Director of Economy and Skills in consultation with Unitary Authority Economy and Skills Directors. In the event of a consensus not being reached at Director level, decision making will be escalated to the West of England Mayoral Combined Authority's Chief Executive Officer (CEO) in consultation with the Unitary Authority CEOs.</li> <li>2) Approve the Feasibility and Development Funding Application for the Local Electric Vehicle Infrastructure Fund Bid and the award of £268k to support the activity until April 2027, as set out in paragraphs 11-13.</li> <li>3) Approve the Feasibility and Development Funding Application for Green Infrastructure Implementation, as set out in paragraphs 14-15, and the allocation of £423k to support this work until October 2025, and delegate the finalisation of the detail of delivery to the Mayoral Combined Authority Director of Environment in consultation with the Directors of Environment of the Unitary Authorities. In the event of a consensus not being reached at Director level, decision making will be escalated to the West of England</li> </ol> |
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Mayoral Combined Authority's Chief Executive Officer in consultation with the Unitary Authority CEOs.

- 4) Approve the Outline Business Case for the Bath and North East Somerset section of the Bath to Bristol Strategic Corridor and the development of a Full Business Case by October 2025, as set out in paragraphs 25-27.

**Reasons for recommendation**

Business Cases and Funding Applications are presented to Committee for a decision on approval and release of funding.

**Voting arrangements**

In order to be carried, a decision on this matter requires a majority of the members present and voting, such majority is to include the Metro Mayor. Each member present may cast one vote. If a vote is tied the decision is not carried. There is no casting vote. Co-opted members are not entitled to vote.

**Publication Requirements**

For publication.

**Background**

1. At the meeting of the West of England Mayoral Combined Authority Committee in October 2023 the Investment Fund time horizon was extended to 27/28 reinstating the 5 year rolling programme. The funding available within this period is:

	£m
• £30m of Investment Fund per annum x 12 years (16/17 to 27/28)	360.0
• Transforming Cities Funding	80.0
• One year succession to Local Growth Funding	7.4
• Structured over-programming of delivery against spend	39.6
Total	487.0

2. With the approvals made at the West of England Mayoral Combined Authority Committee meeting in January the headroom within the Investment Fund programme to 25/26 stands at £5.5m. As reported to Committee in October, extending the programme to 27/28 would add a further £60m of funding, for which there are calls of £16.5m through previous funding awards. The overall headroom to 27/28 is therefore £49m. A summary of all the approved and allocated funding across the Investment Fund programme is shown in Appendix 1 and is summarised in Figure 1, which includes the approvals proposed to this Committee. The changes through the approvals included in this report, or elsewhere on the agenda, are summarised in Figure 2.

**Figure 1: Summary of Investment Programme to 2028 by Priority Theme**

Funding Awards and Allocations £000s	Jan 24	Mar 24
<b><i>Transport Infrastructure</i></b>		
Approved Awards and Allocations	150,999	167,495
Associated unallocated funds	17,459	17,459
<b>Total Investment</b>	<b>168,458</b>	<b>184,954</b>
<b><i>Housing, High Streets and Green Infrastructure</i></b>		
Approved Awards and Allocations	83,131	83,605
Associated unallocated funds	423	-
<b>Total Investment</b>	<b>83,554</b>	<b>83,605</b>
<b><i>Business and Skills</i></b>		
Approved Awards and Allocations	132,224	148,424
Associated unallocated funds	17,718	17,718
<b>Total Investment</b>	<b>147,942</b>	<b>166,142</b>
<b><i>Leverage Match Fund / Other</i></b>		
Funding put aside to respond to external funding opportunities	<b>7,561</b>	<b>7,293</b>
Approved Mayoral Combined Authority set up, operating, election and Gateway Review costs to 25/26	<b>9,928</b>	<b>11,473</b>
Provision for Inflation (see paragraph 3)	<b>4,024</b>	<b>4,024</b>
Headroom to March 26	<b>5,532</b>	-
Funding for the period 26/27 – 27/28	60,000	-
Total Awards and Allocations post March 2026	16,543	-
Headroom to March 28	48,989	29,510
<b>Total Investment Programme up to March 2028</b>	<b>487,000</b>	<b>487,000</b>

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

Para	Project/Programme	Amount (£000's)	Change to Headroom (£000's)	Running Headroom Balance (£m)
Position including decisions at the January 24 Committee				<b>49.0</b>
Fig 1	Extended Mayoral Combined Authority operating and election costs 26-27 and 27/28	1,515	-1,545	47.4
6	Digital Office Pilot	2,519	-2,519	44.9
11	Local Electric Vehicle Infrastructure (LEVI) Fund Bid	268	-	44.9
14	Green Infrastructure Implementation	423	-	44.9
28	Impact of other change requests for schemes in the current programme	264	+264	45.2
29	Local Nature Recovery Strategy	292	-	45.2
30	Employment and Skills Fund	15,680	-15,680	29.5

*Provision for Inflationary Impact*

3. Provision of £11.6m for inflationary impacts was made at the West of England Mayoral Combined Authority Committee meeting in September 2022. Since this time previous calls on this allocation, across a number of schemes (see Appendix 2), have reduced the total available to £4.02m. It is proposed this inflationary allocation is retained given the baked in and continuing cumulative significant pressures, and kept under review.

*Maturing Our Approach to Investment*

4. The Investment Principles agreed at the Mayoral Combined Authority Committee in July 2022, included that priority would be given to schemes that, in addition to meeting strategic objectives, also have a source of repayment to support further projects, and increase the scope for impact of the fund overall. This seeks to build upon the approach to repayable funding through the previous Land Acquisition and Development Infrastructure Funds for which some £29m is expected to be repaid across five schemes by agreed backstop dates, as per the update to the Mayoral Combined Authority Committee in October 2023.
5. In line with this objective, initial scoping work has been undertaken to explore wider funding models and examine the opportunity for loan and equity based investment where these are appropriate. The first example of loan funding of £6.5m was agreed for the Bristol Temple Quarter Regeneration Programme at the Mayoral Combined Authority Committee meeting in January. It is proposed that a further update is presented to the Mayoral Combined Authority Committee meeting in June including potential pilot schemes. As set out in the Climate and

Ecological Strategy and Action Plan report on this agenda, one such pilot could be the loan funding being considered to support the development of new woodland, which could potentially act as a model for future funding options to support nature recovery projects.

## **Key Considerations**

### Business Cases and Funding Applications

#### *Digital Office Pilot*

6. In line with the West of England Digital Plan, which sets the aim to accelerate digital transformation for the region, a Feasibility and Development Funding [Application](#) has been produced by the Mayoral Combined Authority for a Digital Office Pilot. This seeks funding of £2.519m for a three-year proof of value project to pilot a Digital Office shared service and determine the degree to which a coordination function helps to deliver the West of England Digital Plan more efficiently and effectively. The immediate priority will be tackling digital exclusion by fast-tracking delivery of the joint digital infrastructure targets set out in the Plan. The £2.519m funding would be drawn from the Investment Fund headroom.
7. This scheme reflects ongoing discussions with Council Digital Leads and Business and Skills Directors. The proposed Digital Office is intended to provide additionality and the scheme will be formally co-designed/delivered with Councils. The scheme is designed to provide two full years of operational data to ensure a robust evaluation and business case ahead of full implementation if proof of value is successful. Timescales for this proposal are:
  - Phase 1 - Set-up Pilot [6-months; Mar-Sep 2024] - Jointly with Councils co-design pilot, prototype service and joint workplan, resource model, plus governance framework and monitoring arrangements that enable Councils and Combined Authority to have strategic oversight (recommend via Business & Skills Directors to provide continuity with the Digital Plan).
  - Phase 2 - Run Pilot [3-years; Oct 2024 – Oct 2027] – Pilot commences and Digital Office and Digital Infrastructure Board go live. Digital Office staff provide simple ‘front door’ function for telecoms providers, enhance Councils’ role in connectivity roll-out and deliver policy-aligned projects and investment propositions. Continuous monitoring will inform in-flight service delivery.
  - Phase 3 – Evaluate Pilot [3 months; Jul-Sep 2026] – At end of year 2, the Digital Office and coordination function will be formally evaluated against success criteria. This will consider monitoring data collected up to this point and will inform the Full Business Case.
  - Phase 4 – Full Business Case [9-months; Oct 2026 -Jun 2027] – Contingent on Phase 3, develop a Full Business Case for continued operation of the Digital Office longer-term. Plan to submit to Committee June 2027. Phase 4 is timed to ensure that the outcome of evaluation and business case process is determined before the end of Phase 2 (Pilot) to ensure continuity of service (assuming evaluation/business case support full implementation).
8. The Digital Plan sets out targets for digital infrastructure with a stated aim to

ensure that “*Everyone in the region is digitally connected, with access to world-class digital infrastructure that is fast, secure and reliable*”. This aim is yet to be achieved, and across the West of England location is still a barrier to good broadband.

9. Digital infrastructure targets require coordinated and targeted intervention to deliver

Actions	Progress against Target	Notes (Ofcom Connected Nations 2023)
Meet and exceed 85% gigabit connectivity by 2025 across the West of England	78.5% ↑ On track for meeting Government 85% Gigabit coverage target by 2025 (at a regional level)*	<b>West of England has 78.5% gigabit coverage (&gt;1000mbps).</b> Close to national 85% target; higher than national average. <b>Masks significant regional variation in coverage:</b> <ul style="list-style-type: none"> <li>• Bristol – 93%</li> <li>• South Gloucestershire – 81%</li> <li>• Bath &amp; North East Somerset – 67%</li> <li>• North Somerset – 73%</li> </ul> <b>Bath &amp; North East Somerset (and North Somerset) not expected to meet target</b> without intervention.
Maximise number of premises which have at least superfast coverage by 2026	97% ↑ Intervention required to increase coverage to ensure households and business premises can access at least superfast speeds	Regionally, <b>97% premises have access to at least superfast connectivity (&gt;30mbps)</b> , on par with national average. <b>3.11% of premises (16,900) do not currently have superfast broadband; of these 19.8% (3,350) have speeds &lt;10mbps.</b> Intervention is required to address. <ul style="list-style-type: none"> <li>• Rural areas more likely to have no access to fixed broadband, when they do have access, it is more likely to be slower.</li> <li>• Urban areas are more likely to be affected by 10-30mbps limitations than not spots.</li> </ul>
Maximise 4G and 5G coverage and capacity	99%/87% 4G coverage outdoors/ indoors →	Ofcom data inadequate to determine whether coverage is universal/sufficient. Anecdotally there are areas of poor mobile connectivity across region, e.g. Bath City Centre.
Boost community-based coverage	No data yet available	

10. Working closely with the Councils and other partners, the key activities of the Digital Office will include:

- Mapping regional connectivity to monitor areas of poor connectivity, track roll-out of new infrastructure and prioritise intervention areas.
- Coordinating and engaging with telecoms providers on issues related to digital infrastructure and working with Council teams involved in the deployment process.
- Identifying and alleviating barriers that impede or make digital infrastructure deployment harder, slower or more costly.
- Designing and delivering policy-aligned intervention projects and investment propositions to maximise private sector investment for digital infrastructure.

*Recommendation 1: To approve the Feasibility and Development Funding Application for the Digital Office Pilot and the award of £2.519m to produce a Full Business Case by March 2027, and to delegate the approval of the detailed scope of work and ongoing oversight of the project to the West of England Mayoral Combined Authority's Strategic Director of Economy and Skills in consultation with Unitary Authority Economy and Skills Directors. In the event of a consensus not being reached at Director level, decision making will be escalated to the West of England Mayoral Combined Authority's Chief Executive Officer (CEO) in consultation with the Unitary Authority CEOs.*

#### *Local Electric Vehicle Infrastructure (LEVI) Fund Bid*

11. The Department for Transport (DfT) has indicatively allocated £6.64m of LEVI funding to the West of England Mayoral Combined Authority. The DfT intends to award 90% of this funding in March 2024, once they have approved the Stage 2 submission. It is expected that some 1,250 charge points can be delivered with the LEVI joint public private investment in the region, which is in addition to the electric vehicle charging infrastructure being introduced through the £4.9m awarded through the Green Recovery Fund.
12. A Feasibility and Development Funding [Application](#) has been produced by the Mayoral Combined Authority requesting funding of £268k. This would be used to procure the additional external support needed for the specialist legal, commercial, technical and economic input to finalise the tender documents, contracts and procurement approach, ahead of going to tender for a concessionaire contract with a charge point operator, in Summer 2024. The funding also includes ongoing project management support to ensure delivery of the electric vehicle infrastructure until 2026/27, subject to the funding being confirmed. The £268k funding sought would be drawn from the Investment Fund provision for external funding opportunities, the balance of which stands at £7.6m as shown in Figure 1.
13. The DfT announced in late January 2024 that additional capability funding would be made available to Tier 1 authorities in 2023/24 and 2024/25. The DfT have not yet indicated the amount of funding to be made available to Tier 1 authorities or timescales for when funding will be confirmed. Mayoral Combined Authority officers are working alongside Unitary Authority officers to respond rapidly to the DfT for these additional funds. Should the Mayoral Combined Authority be successful in securing these additional funds the call on the Investment Fund will be less.

*Recommendation 2: To approve the Feasibility and Development Funding Application for the Local Electric Vehicle Infrastructure Fund Bid and the award of £268k to support the activity until April 2027.*

### *Green Infrastructure Implementation*

14. A Feasibility and Development Funding [Application](#) has been produced seeking to draw on the £423k balance of the £3m funding previously set aside for Green Infrastructure (GI), which has supported projects such as Common Connections and the Chew Valley Lake Recreational Trail. The Mayoral Combined Authority has worked with the Unitary Authorities, through representatives on the Joint Green Infrastructure Working Group, to identify the key needs to be addressed by this funding, which are to:
- Provide leadership on GI and overview of a programme of GI pipeline projects.
  - Find and distribute funding and opportunities for GI projects and collaborate with Unitary Authorities to ensure cross-boundary links between projects.
  - Raise the profile of GI and the Joint Green Infrastructure Strategy, ensuring it is kept up to date and embedded effectively in wider teams such as transport/infrastructure.
  - Highlight the financial benefit of GI.
15. To deliver on these needs, funding will be used for resource with the Mayoral Combined Authority to provide regional leadership and overview, embedding GI into wider projects and clarifying the financial benefits to be used for future cost benefit evaluation. As part of this role, the aim is to integrate GI with climate resilience activities, delivering co-benefits across both areas of work. In addition, the funding would be used directly to support project pipeline development, including business case development; to help drive delivery of existing projects; and improve the ability to access new sources of funding.

*Recommendation 3: To approve the Feasibility and Development Funding Application for Green Infrastructure Implementation and the allocation of £423k to support this work until October 2025, and delegate the finalisation of the detail of delivery to the Mayoral Combined Authority Director of Environment in consultation with the Directors of Environment of the Unitary Authorities. In the event of a consensus not being reached at Director level, decision making will be escalated to the West of England Mayoral Combined Authority's Chief Executive Officer in consultation with the Unitary Authority CEOs.*

### *Somer Valley Enterprise Zone (SVEZ)*

16. The Somer Valley Enterprise Zone (SVEZ) is a greenfield site of some 14 hectares and is located to the west of Midsomer Norton on the A362. The site was granted Enterprise Zone status in April 2017. Following the award of £1.82m from the Investment Fund, an Outline Business Case has been submitted by Bath and North East Somerset Council for the SVEZ infrastructure. The project aims to



provide highly sustainable and attractive new location for businesses, drawing in new employers and skills, and reducing the need for commuting by local people, many of whom currently travel towards adjacent urban centres for employment. The SVEZ will deliver around 36,000 sqm of mixed commercial space and some 1,300 jobs. The scheme includes a package of infrastructure comprising:

- On-Site works to create serviced plots for future developers to take forward, which include:
    - Highway interventions including provision of access roundabout and an estate road.
    - New public cycleways and footpaths
    - Strategic surface water drainage, foul water drainage, utilities and structural and soft landscaping.
  - Off-site works including a segregated walking and cycling route connecting the SVEZ to the Norton Radstock Greenway to the east and broader highway junction mitigations.
17. At this stage the funding sought from the Investment Fund for the further development of the scheme to Full Business Case is £9.2m (plus £115k match funding), with the delivery costs beyond this from the Investment Fund expected to be £19.5m (with £1.1m match funding). Based on previous business cases, there is currently £14.9m allowed for, and to be retained, in the approved Investment Fund programme for this scheme, which would leave a shortfall of £13.8m. It is recognised that considerable progress has been made by the Council in bringing this scheme forward, including the recent adoption of the Local Development Order (LDO) providing the planning mechanism for the site, and the Council are keen to maintain this momentum. The Portfolio Review Board will now review the Business Case, value for money and potential funding mechanisms to cover increased costs in order to formulate a recommendation back to a future Mayoral Combined Authority Committee. This is in line with the approach taken previously for key Investment Fund schemes facing significant cost or programme change.

#### *Bath to Bristol Strategic Corridor*

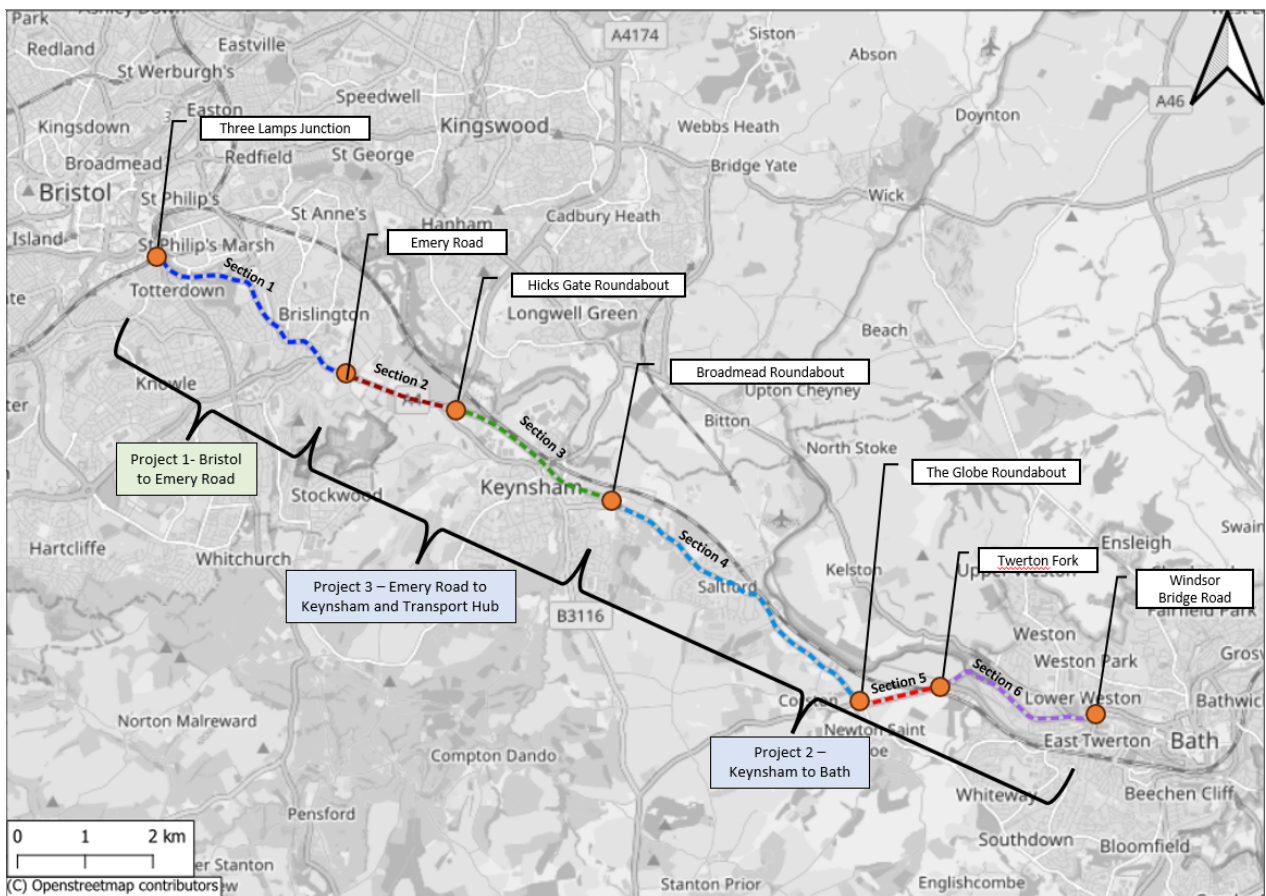
18. An Outline Business Case (OBC) has been submitted for the B&NES section of the Bath to Bristol Strategic Corridor (BBSC) project. This follows the West of England Mayoral Combined Authority Committee approval, in June 2020, for the commencement of a corridor scheme to be delivered along the A4 between Bath and Bristol. A Strategic Outline Case for the BBSC programme was developed jointly by the West of England Mayoral Combined Authority, Bristol City Council (BCC) and Bath & North East Somerset (B&NES) and was completed in December 2021.
19. In March 2022, the programme was allocated funding through the City Region Sustainable Transport Settlement (CRSTS) which provided a significant opportunity to progress the BBSC. At this point the programme was split into three

deliverable projects, in turn made up of six sections, as follows:

- Project 1 - Bristol to Emery Road.
- Project 2 - Keynsham to Bath.
- Project 3 - Emery Road to Keynsham and Transport Hub.

20. Project 1 forms the “BCC section” of the programme and is made up of Section 1 of the route, between Three Lamps junction and Emery Road. Projects 2 and 3 form the “B&NES section” of the programme and are made up of Sections 2 to 6 i.e. from Emery Road to Windsor Bridge Road (see Figure 3).

**Figure 3 - BBSC Route Sections**



21. For the development of the OBC and the Full Business Case (FBC) the programme has been split into two i.e. the BCC section (Project 1 / Section 1) and the B&NES section (Projects 2 & 3 / Sections 2-6).

22. The strategic vision for BBSC is to enhance the lives of those living along the corridor by increasing the attractiveness of sustainable transport modes. It aims to do this by giving residents and visitors improved access to faster and more reliable bus services and improved walking, wheeling and cycling options, providing genuine and improved travel choices. Through this, the bus user experience and patronage numbers will improve, and the benefits of walking, wheeling and cycling are promoted.

### *BBSC Bristol Section*

23. Following the public engagement on the BBSC project in late 2023, the Bristol section of the BBSC (Project 1) has been split into two work packages, as described to Members within the October 2023 CRSTS rebaseline Committee report. In December 2023 West of England Directors of Infrastructure approved the proposal for the short-term work package to move to a straight-to-FBC route. This was due to the relatively low risk and scale of the short-term work package, and to accelerate the timeline for delivery in line with the CRSTS funding timescale of March 2027.
24. The West of England Mayoral Combined Authority is developing the long-term work package for interventions between Emery Road and Arnos Vale as part of a specific Outline Business Case to be delivered later in 2024. Subsequently, it is proposed to develop a single preferred long-term option through to detailed design, with further community engagement, as well as having a West of England Mayoral Combined Authority Committee approved FBC, construction ready project by March 2027. While no funding has currently been identified to construct a long-term option, completing these steps will enable strong applications for future funding, including CRSTS2, and having a shovel-ready approved scheme will significantly streamline the delivery schedule if and when funding is secured.

### *BBSC B&NES Section Outline Business Case*

25. The package of measures identified for the B&NES section includes a range of bus lanes, cycle lanes and shared use paths, bus stop enhancements, junction improvements and a transport hub in Keynsham. Further details are provided in Appendix 3.
26. The scheme is forecast to decrease greenhouse gas emissions and improve air quality. The OBC demonstrates that the scheme will bring wider economic, social and environmental benefits, and will facilitate planned housing and economic growth, with an increase in demand for sustainable travel along the corridor. In the absence of intervention it is forecast that the reliance on private travel will increase impacting on congestion, which will make active travel and public transport even less attractive.
27. The progression to FBC would be funded through the existing award of £4.76m Transforming Cities Fund/Investment Fund/CRSTS for the corridor. The Assessment Summary Table is shown in Appendix 3 and the Outline Business Case is published on the [website](#).

*Recommendation 4: Approve the Outline Business Case for the Bath and North East Somerset section of the Bath to Bristol Strategic Corridor and the development of a Full Business Case by October 2025.*

### Scheme Changes

28. The following projects within the Investment Fund programme seek a funding change which impacts on the headroom, as recommended for approval in the

Delivery Assurance report on this agenda:

- Bath Creative Quarter - additional £51k.
- Yate Spur phase 5 and 6 - additional £100k.
- Step Free Stations – reduction of £209k

The headroom is also extended by £206k as a result of previously agreed swap of funding to CRSTS for the Somer Valley Links project, which is now reflected in the totals.

29. As a result of funding received from the Department for Environment, Food and Rural Affairs (Defra), £292k of the £330k awarded to the Local Nature Recovery Strategy is no longer required and this sum will be returned to the Nature Recovery element of the Green Recovery Fund.

#### Employment and Skills Fund

30. As set out elsewhere on this agenda, it is proposed to create an Employment and Skills Fund with an initial allocation from the Investment Fund of £15.68m to cover the first two years of operation. The drawdown of funding from this allocation will be through business cases/funding applications.

#### Delegated Decisions

31. A delegation for the approval of business cases and funding applications through the Green Recovery Fund was granted to the West of England Mayoral Combined Authority's Director of Environment in consultation with the Unitary Authority Environment Directors in October 2023.

#### *Resourcing the Climate Resilience Work Programme*

32. A Feasibility and Development Funding [Application](#) has been produced by the West of England Mayoral Combined Authority to deploy £300k from the Green Recovery Fund to resource the Climate Resilience work programme over the next 12-18 months. This was approved through the granted delegation in January 2024.

#### **Alternative Options Considered**

33. For the BBSC B&NES section an [Options Assessment Report](#) has been produced which sets out in detail how the proposed scheme has been identified.

#### **Consultation and Engagement**

34. As set out in the Outline Business Case, informal public engagement for the Somer Valley Enterprise Zone development commenced in September 2021, which was followed by further engagement to allow for changes to the proposed masterplan between May and June 2022. As a result of this engagement, several amendments were made to the site masterplan including moving the

Local Development Order (LDO) boundary to the east, the removal and relocation of attenuation ponds, the provision of an acoustic boundary fence and relocating a new footpath. The initial statutory consultation for the LDO took place in January and February 2023.

35. For the BBSC, engagement was undertaken on the corridor between July and September 2021, as part of the Strategic Outline Case, achieving a high rate of response and valuable insight on public views and issues. A further, 6-week public engagement exercise was undertaken consisting of in person events, online webinars, Councillor briefings, operator briefings and through a website. The public engagement exercise was successful with 4,851 responses to the questionnaire, 275 email responses, 912 attendees at the in person and online events. An engagement report will be published that outlines the feedback received during engagement. Further public consultation will be undertaken during the development of the FBC to provide further opportunities for the public to shape the design.

### **Key Risks**

36. All project business cases are required to set out the way that risks will be managed and provide a risk register. All projects underway will maintain a specific risk register as part of the project management and monitoring arrangements.
37. For the Somer Valley Enterprise Zone the key risks identified within the Outline Business Case relate to some landowners continued expectations regarding the value of their land, variation in costs for new utility connections, and lead times for National Grid works to reinforce the offsite electrical infrastructure.
38. For the BBSC B&NES project, a quantified risk assessment has been produced to establish the risk provision allowed in the project budget. As set out in the Outline Business Case, the key identified risks are:
- Managing multiple stakeholders with conflicting priorities could divert the course of the programme, resulting in delay.
  - Programme alignments and interdependencies between numerous related projects, which could result in stakeholder confusion and delay in decision making.
  - Design constraints such as heritage assets, structures and archaeology.
  - Cost inflation being higher than anticipated, which could increase programme cost.
  - Lack of cost certainty given current level of designs within the programme.
39. As set out in paragraph 3, £4.0m is allowed for in the programme to meet inflationary pressures.

### **Equality, Diversity and Inclusion Implications**

40. For the BBSC B&NES project, an Equality Impact Assessment (EqIA) has been undertaken for this stage. Positive impacts are anticipated on most protected characteristics including age, disability, sex and gender, pregnancy and maternity, gender identity and deprivation and a neutral impact is anticipated for religion and belief. The EqIA will be further developed at the Full Business Case stage and as the designs develop, to assess impacts and ensure that any mitigation measures that are required are incorporated.

## Climate Change & Nature Recovery Implications

41. The West of England Mayoral Combined Authority's Climate & Ecological Strategy and Action Plan has been considered in the production of this report. Projects and proposals for investment have been reviewed and support the strategic aims of the Mayoral Combined Authority with respect to tackling the climate and nature emergencies. Recommendations 2 and 3 will directly contribute to our climate and nature ambitions and are specifically referenced in the associated action plan for 23/24.

## Financial Implications

42. The Investment Fund is 50% revenue and 50% capital. The spend and profile for the funding awarded to projects to date is set out in the table below.

£m		Funds Available to 22/23	Funds Available to 25/26	Spend to 22/23	Forecast			Total	Balance of spend against funds available to 22/23	Balance of spend and forecast against funds available to 25/26
					23/24	24/25	25/26			
Capital	IF	112.4	157.4	50.4	31.2	41.7	17.2	<b>140.5</b>	62	16.9
	TCF	80	80	80	0.0	0.0	0.0	<b>80.0</b>	-	-
Revenue	IF	105	150	59.5	30.2	24.2	8.9	<b>122.8</b>	45.5	27.2
Total		297.4	387.4	189.9	61.4	65.9	26.1	<b>343.2</b>	108.0	44.2

Note: The figures exclude allocations. IF capital includes £7.4m one year succession to Local Growth Funding.

43. The Investment Fund programme includes some £40m of overprogramming which is included to seek to mitigate schemes not proceeding and project delay. Should projects fully deliver to plan within the current investment period then there would be a need to pause schemes pending the receipt of further funding or remove schemes from the programme.

44. The extension of the active investment programme to 2027/28 would need to draw on £60m of funding expected to be released via the second Gateway Review. This process will not conclude until early 2026, and at this point in time the receipt of these funds cannot be fully guaranteed. This risk needs to be balanced against the option to await the outcome of the Gateway Review 2 process before extending the programme, but this would risk not having an active programme for the period from 2026/27 which could impact the next Gateway Review.
45. Supporting economic growth is central to this funding stream, and promoters are required to include an economic case within the Full Business Case for each scheme which sets out how the project will deliver benefits including creating jobs and GVA growth as well as delivering wider impacts. In line with agreed processes these business cases are published on the West of England Mayoral Combined Authority website at the point of decision making. In addition, the positive impact of the Investment Fund programme on supporting economic growth is tested through the Gateway Review process.

### **Legal Implications**

46. There are no direct legal implications which arise from the recommendations set out in this report other than those which are contained in the individual business cases. In addition, appropriate legal documentation will be required in due course in respect of each recommendation when implemented. This may also involve amendments to existing legal documentation where there are change requests being proposed. The change requests will need to be implemented in accordance with the terms of the original documentation.

### **Human Resources Implications**

47. In situations where funding is reduced, with implications of reducing the workforce on a specific project, the Mayoral Combined Authority's internal managing change will be applied, with options of redeployment and/or redundancy where appropriate. The Mayoral Combined Authority will aim, as a priority, to redeploy staff into suitable alternative roles and avoid redundancy as a first solution.
48. Any change that will have a financial implication through redundancy will be signed off first in principle by the Strategic Director of Resources, appropriate Strategic Director/senior leader and the Director of People & Assets.
49. For situations that result in increased funding with the need for more staff, any Corporate Leadership Team (CLT) approved posts (fixed term/permanent) and interim/agency staffing will be recruited to, supported through the Human Resources team, through recruitment or agency processes.

50. For situations that require a restructure of a directorate or service, this will be led by either the Strategic Director or relevant Senior Lead, supported by Human Resources, and in line with the Mayoral Combined Authority's Managing Change policy and process, including engagement with the Union, and with overall approval by CLT.

### **Land and Property**

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

### **Commercial and Procurement**

52. There are no immediate commercial implications from the update contained in this Report. The commercial team are supporting the development of the 'Approach to Maturing Investments' and will ensure any commercial considerations are embedded into the development of this important project.

### **Appendices**

Appendix 1 - Investment Fund Programme

Appendix 2 - Projects Previously Drawing of Provision for Inflation

Appendix 3 - BBSC B&NES Section Assessment Summary Table

### **Background papers:**

None

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

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## Appendix 1

### Transport Infrastructure Projects – Previously Agreed Awards and Allocations to 27/28 (£000s)

Position as at:	Jan 2024	Mar 2024
<b>Feasibility Studies</b>		
Bristol Temple Meads Masterplan	2,000	2,000
Winterbourne/Frampton Cotterell Bypass and Coalpit Heath/Westerleigh Bypass Study	413	413
Regional Operations Capability – Phase 1	75	75
10 Year Rail Delivery Plan and Strategic Rail Investment	720	720
Bus Service Improvement Plan and Enhanced Partnership	537	537
East Bristol Mini-Holland	79	79
Joint Local Transport Plan	1,250	1,250
West of England Regional Transport Model	600	600
Local Electric Vehicle Charing Infrastructure Bid	-	268
<b>Business Case Development</b>		
Charfield Station	1,823	1,823
MetroWest Phase 1	13,520 <sup>##</sup>	23,633
Future4WEST	3,361	3,361
Integrated Smart Ticketing	300	300
Local Cycling & Walking Infrastructure	100	100
Manvers Street Regeneration	250	250
Bus Infrastructure Programme and Park & Ride	3,802	3,802
Bath to Bristol Strategic Corridor	1,549	1,549
Bath Quays Bridge Cycle/Pedestrian links	1,865	1,865
Scholars Way Walking and Cycling Route	152	152
Old City and King Street	609	609
East Bristol Liveable Neighbourhood	712	712
Yate Spur Phases 5 and 6	5,891	5,991
Fieldings Bridge	50	50
Bath Sustainable Walking & Cycling Links	62	62
Concorde Way / Dovercourt Depot	400	400
Grovesend Road / Gillingstool Corridor	870	870
Ring Road – Filton to MOD	145	145
Keynsham to Willsbridge Path	600	600
Electric Vehicles Charing Strategy	200	200
A37/A367 Sustainable Transport Corridor	562	356
Access for All Step Free Station Proposals Phases 1 and 2	386	177

Regional Cycle Hangers	100	100
Alveston Hill Cycleway	16	16
A432 Multi Modal Corridor	236	236
Walking and Cycling Scheme Development	200	200
Lockleaze Sustainable Transport Improvements	569	569
CRSTS Specialist Resource SGC	486###	670
A38 Multi Modal Corridor	361	361
Muller Road Eastbound Bus Lane	388	388
Business Case for CRSTS 2	900	900
Rail Electrification (Filton Bank)	200	200

<b>Schemes in Delivery</b>		
Real Time Information System Upgrade	559	Complete
Cribbs Patchway MetroBus Extension	27,161	27,161
Integrated Transport Authority Functions	1,000	1,000
On-Bus Contactless Bank Card Payment	416	416
Wraxall Road Roundabout Improvements	6,887	6,887
Future Transport Zone*	3,655	3,655
Yate A432 Park and Ride	4,651	4,651
On Bus Tap On, Tap Off	550	550
Metrobus Consolidation	1,337	1,337
A4 Portway Park & Ride Expansion	738	738
Access for All Mid-Tier	452	452
Bristol Bridge Signals Junction and Car Park VMS Project	510	510
Bedminster Green Highway Improvements Project	2,431	2,431
Arena Infrastructure Package	10,830	10,830
A4018 Corridor Improvements	700	700
Old Market Gap	283	283
SGC Sustainable Transport Package	668	668
Portway Station	2,050	2,050
SGC High Street	400	400
Emersons Green Local Transport Enhancements	537	537
MetroWest Phase 2	13,663#	19,908
Electric Vehicle Charging Infrastructure	4,900	4,900
Highways Maintenance	7,276	Complete

<b>Allocations</b>		
CRSTS Capacity Bath & North East Somerset Council	670	670
CRSTS Capacity Bristol City Council	670	670

<b>Completed Projects</b>	<b>11,668</b>	<b>19,503</b>
<b>Total of all Awards and Allocations:</b>	<b>150,999</b>	<b>167,495</b>
<b>Associated Unallocated Funds</b>	<b>17,459</b>	<b>17,459</b>
Future4WEST	13,639	13,639
Regional Operations Centre	175	175
Bristol to Bath Strategic Corridor	457	457
CRSTS Pipeline	230	230
Lockleaze Sustainable Transport Improvements	2,958	2,958
<b>Total</b>	<b>168,458</b>	<b>184,954</b>

Note: \* Excludes DfT funding of £24.366m.

# Excludes £6.245m for period from 26/27

## Excludes £10.113m for period from 26/27

### Excludes £184k for period from 26/27

**Housing, High Streets and Green Infrastructure Projects – Previously Agreed Awards and Allocations to 27/28 (£000s)**

	Jan 24	Mar 24
<b>Feasibility Studies</b>		
Bedminster High Street Improvement	275	275
Strategic Planning Shared Evidence Base	4,500	4,500
South Gloucestershire High Streets Catalyst Phase 2	953	953
<b>Business Case Development</b>		
Masterplanning: business case development	275	275
Masterplanning: Brislington and North Keynsham	250	250
Green Infrastructure	300	300
East Fringe Masterplan (including Junction 18a)	310	310
Frome Gateway and Bristol City Centre Delivery Plans	800	800
HREF – South Gloucestershire Council Capacity	750	750
Temple Quarter Infrastructure Programme	2,226	2,226
B&NES Housing and Regeneration Enabling Fund	750	750
B&NES Strategic Masterplanning	1,345	1,345
Development of the strategic evidence base to inform Spatial Plan Making	900	900
Bristol Avon Flood Strategy	482	482
Chew Valley Lake Recreational Trail (Northern Section)	150	150
Bath Creative Quarter	145	196
Milsom Quarter	2,475	2,475
Western Harbour Feasibility	2,839	2,839
Bristol Harbour Place Shaping Strategy	283	283
Bristol Temple Quarter Joint Delivery Team	6,863	6,863
Waterspace Connected Phase 1	296	296
City Centre Economic Development & Markets Development	165	165
Green Infrastructure Implementation	-	423
<b>Schemes in Delivery</b>		
Whitfield Tabernacle Stabilisation Works	682	682
North Keynsham Land Acquisition Fund	5,975	5,975
Bath City Centre High Streets Renewal Project	2,323	2,323
Bristol City Centre & High Streets Recovery & Renewal	3,813	3,813
Bottle Yard Studios - Hawkfield Business Park	11,978	11,978
Kingswood Regeneration Project	1,613	1,613
Thornbury Hospital (Land Acquisition Fund)	3,806	3,806

Common Connections	999	999
Midsomer Norton High Street Market Square	1,702	1,702
Bath Local Centres High Street Improvement Scheme	295	295
Hengrove Park Enabling Works	19,831	19,831
Hanham High Street	394	394
<b>Allocations</b>		
LAF and DIF Repayments*	-18,012	-18,012
Bristol Temple Quarter Regeneration Programme	6,500	6,500
<b>Completed Projects</b>	<b>13,900</b>	<b>13,900</b>
<b>Total of all Awards and Allocations:</b>	<b>83,131</b>	<b>83,605</b>
<b>Associated Unallocated Funds</b>	<b>423</b>	<b>-</b>
Green Infrastructure	423	-
<b>Total</b>	<b>83,554</b>	<b>83,605</b>

Note: \* Includes repayment for Bath Riverside, Thornbury Hospital site and repayable element for Bottle Yard Studios - Hawkfield Business Park.

**Business and Skills Projects – Previously Agreed Awards and Allocations to 27/28 (£000s)**

	Jan 24	Mar 24
<b><i>Feasibility Studies</i></b>		
Cultural Strategy	60	60
CEIAG Research and Improvement Project	50	50
Building Employment and Enterprise Skills	20	20
Local CEIAG Action Research Activities	20	20
5G Logistics	179	179
Jobs Connect	200	200
HGV Driver Training Project	220	220
Cultural Compact Start-Up Investment	370	370
High Streets Strategic Review	25	25
Climate Emergency and Capacity	536	536
Local Nature Recovery Strategy	330	38
Retrofit Step Up Programme	200	200
Regional Engagement on the Environment	150	150
Extension of Local Energy Advice	209	209
Resourcing the Climate Resilience Work Programme	-	300
<b><i>Business Case Development</i></b>		
Somer Valley Enterprise Zone and Infrastructure	1,820	1,820
Quantum Technologies Innovation Centre+	34,974	34,974
Energy Strategy Action Planning / Climate Change Planning	250	250
The Coach House BAME Enterprise Hub	97	97
West of England Visitor Economy Recovery Project	254	254
High Street Renewal Catalyst Fund	660	660
Bath Central Riverside	548	548
Green Recovery Fund Resources	375	375
Hanham Community/Skills Hub	105	105
Regional Evidence Portal Pilot	50	50
Digital Office Pilot	-	2,519
<b><i>Schemes in Delivery</i></b>		
Realising Talent	499	499
South West Institute of Future Technology	500	500
Business Innovation Fund	242	242

Workforce for the Future	4,171	4,171
WE Work for Everyone	1,300	1,300
Future Bright Plus	3,625	3,625
LIS Productivity Challenge Delivery Programme	3,602	3,602
South Bristol Workspace	573	573
Reboot West	720	720
Low Carbon Challenge Fund Extension	2,243	2,243
Innovation for Renewal and Opportunity	6,317	6,317
Small Business Resilience Grant Programme	837	837
Culture and Creative Economy Recovery Fund	2,000	2,000
Bath River Line Phase 1	1,315	1,315
Community Pollinator Fund	2,258	2,258
Careers Hub 21/22 and 22/23-24/25	1,028	1,028
Business Growth and Adaptions Fund	1,500	1,500
Business Start Up School	500	500
Retrofit Accelerator	3,000	3,000
Regional Low Carbon Delivery Programme	4,995	4,995
Hydrogen Sustainable Transport Economy Accelerator	1,300	1,300
GRF Nature Recovery Bidding Round	4,373	4,373
GRF Renewable Energy Bidding Round	2,121	2,121
Skills Connect/All Age Advice Centre	2,335	2,335
Mayoral Priority Skills Fund	2,575	2,575
I-START Phase 0	1,458	1,458
Retrofit Accelerator – Supply Side	2,000	2,000
West of England Business Support Programme	5,834	5,834
Green Futures Fund	300	300
Culture West	1,500	1,500

<b>Allocations</b>		
Green Recovery Fund	7,758	7,750
Economic Recovery Measures	955	955
I-START	130	130
Albion Dock	5,000	5,000
Employment and Skills Fund	-	15,680

<b>Completed Projects</b>	<b>9,658</b>	<b>9,658</b>
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<b>Total of all Awards and Allocations:</b>	<b>130,224</b>	<b>148,424</b>
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<b>Associated Unallocated Funds</b>	<b>17,718</b>	<b>17,718</b>
Somer Valley Enterprise Zone	14,893	14,893
Bath River Line	2,377	2,377
I-START	449	449

<b>Total</b>	<b>147,942</b>	<b>166,142</b>
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## Appendix 2 – Projects Previously Drawing of Provision for Inflation

Project	Amount (000s)	Approved/Notes
Midsomer Norton Market Square	200	Jan 23. Cost increases attributed to the levels of inflation and global supply chain issues
SGC Sustainable Transport Package	510	Jan 23. Inflationary pressures for the Badminton Road element.
Careers Hub	38	Jan 23. Increased staff costs.
MetroWest Phase 2	2,600	Jan 23. Cost increases largely attributed to inflation.
Arena Infrastructure Package	3,443	Mar 23. Meeting the cost increase for the scheme between Outline and Full Business Case largely attributed to inflation.
Old City and King Street	93	Jun 23. Increased costs through the tender process.
SGC Sustainable Transport Package	158	Jun 23. Increased costs for the completion of the Badminton Road element of the project.
Midsomer Norton Market Square	300	Jan 24. Meeting that portion of the cost increase attributed to inflation levels above those allowed for.
South Bristol Workspace	234	Jan 24. Cost increases during construction
<b>Total</b>	<b>7,576</b>	

### Appendix 3: Business Case Assessment Summary Table

Scheme Details		Appraisal Summary		Recommendation/ Conditions	
<b>Project Name</b>	Bath to Bristol Strategic Corridor (BBSC) – B&NES Section	<b>Strategic Case</b>	<p>The BBSC programme focuses on improving access, reducing journey times and improving reliability for bus users, cyclists and pedestrians through the provision of:</p> <ul style="list-style-type: none"> <li>• A high-quality, high frequency bus service between Bath and Bristol</li> <li>• A continuous segregated cycling corridor between Bath and Bristol</li> <li>• Cycling and walking connections between local communities along the A4 between Bath and Bristol and the new bus service, and strategic cycling corridor.</li> </ul> <p>For the development of the business cases the programme has been split into two and this OBC covers the two B&amp;NES sections of the corridor - Keynsham to Bath, and Emery Road to Keynsham and Keynsham Transport Hub.</p> <p>The scheme shows alignment with national, regional and local policies and strategies including the West of England Bus Strategy and Bus Service Improvement Plan.</p>	<b>Funding Source(s)</b>	CRSTS/IF/TCF
<b>Scheme Promoter</b>	West of England Mayoral Combined Authority	<b>Subsidy Control</b>	The scheme is not economic in nature.	<b>Approval Requested</b>	Outline Business Case

<b><i>Date of Submission</i></b>	20/12/23	<b><i>Economic Case and Value for Money</i></b>	<p>The Core Scenario appraisal presents an Adjusted BCR of 1.6 representing Medium value for money, although this is based on what is considered a conservative view of public transport demand based upon DfT forecasts for future transport user costs and which is not aligned with the Mayoral Combined Authority's plans to grow bus patronage. A number of sensitivity tests have been undertaken which reinforce the BCR in the Core Scenario.</p> <p>However, a combination of the tests for increased Bristol to Bath bus service frequencies the opportunity for which arises from the scheme, and which would better reflect positive assumptions for bus demand and services aligned with local targets, and updating the active mode appraisal to the most recent DfT version, indicate that a BCR of 2.0 and High vfm could be achieved.</p> <p>In addition, DfT guidance encourages the overall assessment to take account of other benefits and factors not included in the monetised appraisal. This would include the project providing a necessary foundation for future phases of investment, and that modelling does not take account of options for strategic development at Brislington and North Keynsham included in the B&amp;NES Local Plan options consultation, which would result in higher travel demand in the corridor than currently forecast.</p> <p>On this basis it appears reasonable that the project could provide High value for money, but further work will be required at the FBC stage to confirm this.</p> <p>The business case and value for money has been signed off by the West of England Mayoral Combined Authority's Strategic Director of Infrastructure.</p>	<b><i>Funding Award</i></b>	Development of the FBC will draw on the existing funding award for the scheme
<b><i>Funding Requested</i></b>	No further funding is requested for this stage				

<b>Total Scheme Cost</b>	£45.2m with £37.1m from CRSTS and £8.1m local contribution from B&NES	<b>Risk</b>	<p>A Quantified Risk Assessment has been undertaken and £9.14m is allowed for in the costings being some 28% of the base cost.</p> <p>It is proposed that the Mayoral Combined Authority will deliver the scheme but Permitted Development powers on public highway is still to be confirmed.</p> <p>The programme appears ambitious with the risk of construction works extending beyond March 2027 and the end of the CRSTS programme remaining very high. The FBC should clarify what can realistically be delivered with the benefit of detailed designs and the main contractor being on board.</p>	<b>Funding Recipient</b>	West of England Mayoral Combined Authority
<b>Match Funding %</b>	0% for this stage	<b>Delivery</b>	<p>Whilst the scheme will largely be delivered within the highway boundary, some land may be required. Planning consent will be required for the Keynsham Hub and BBRP extension elements of the scheme.</p> <p>It is planned to submit the Full Business Case for approval in January 2025.</p>	<b>Payment Basis</b>	N/A

<b>Scheme Description</b>	<b>Recommendation to the Committee</b>	Approval of the Outline Business Case
<p><b>Emery Road to Hicks Gate:</b> Segregated bi-directional cycle lane and footway provided on southern side and continuous bus lanes both directions from the Park &amp; Ride junction to Hicks Gate.</p> <p><b>Hicks Gate to Broadmead Roundabout:</b> Continuous bus lanes along both sides of Keynsham Bypass, to include a reduced speed limit, and segregated bi-directional cycle lane along Durley Hill between Hicks Gate and Station Road in Keynsham.</p>	<b>Conditions of Approval</b>	None

**Keynsham Hub:** Transport Hub with on carriageway bus stops and at grade crossing of A4, and bus shelters provided along with walking/cycling connections to Keynsham Town Centre and train station.

**Hicks Gate:** Bus stop enhancement on corridor and improved access to bus stops, and improved active travel crossings at Hicks Gate.

**Broadmead Roundabout to Globe Roundabout:** Inbound bus lane from Broadmead Roundabout to Grange Road, and improved shared use path/segregated cycleway.

**Globe Roundabout to Twerton Fork (Newbridge):** Improved shared use path provided between Globe Roundabout and Newbridge Road, tied into existing connection to Bristol to Bath Railway Path (BBRP).

**Twerton Fork (Newbridge) to Bath City Centre:** Inbound bus lane from Rosslyn Road to Hungerford Road.

**BBRP Salford Section:** Upgrade of existing connections (Norman Road and High Street), and upgraded existing connection between the BBRP in Salford at the Bird in Hand.

**Keynsham Centre and connection to train station:** Junction upgrades, and connections to proposed Keynsham Transport Hub.

**BBRP Extension, Bath:** Off-road route between Brassmill Lane and Station Road and onwards to re-join the existing route along the river.

**Record of Approval**

<b><i>West of England Mayoral Combined Authority Committee</i></b>	
<b><i>Date of Meeting</i></b>	15 March 2024
<b><i>Decision</i></b>	