

REPORT SUMMARY SHEET

**HOUSING INFRASTRUCTURE FUND (HIF) BID FOR BRISTOL TEMPLE MEADS TO
KEYNSHAM STRATEGIC GROWTH CORRIDOR A4/A37**

Purpose

To update the committee on this HIF bid, and to seek additional resource to enable continued work on the schemes once the bid has been submitted to meet the delivery programme.

Summary

- This report updates the committee on the HIF bid and the work that has taken place to ensure a robust bid.
- The bid will include A4/A37 corridor strategic interventions.
- Consultation will take place with the political leaders and chief executives of the relevant authorities as the bid preparation work continues up to the bid submission date of 1st March.
- The report also sets out the need to invest a further £500k to enable continued work on the schemes once the bid has been submitted, to meet the delivery programme.

Recommendations

- 1. That the committee acknowledges that the submission of this HIF bid will be undertaken in consultation with the Mayors/Leader and Chief Executives of WECA, Bristol and B&NES and will be on the basis of:**
 - **A bid that includes all schemes for a flagship JSP intervention from Bristol Temple Meads to Keynsham along the A4/A37 corridor.**
 - **Recognising the need to show visibly recycled funding that is generated from HIF funded schemes back into the HIF programme as a mandatory requirement of the bid criteria.**
 - **A risk share approach across the HIF programme.**
- 2. That approval be given to a further £500k to work at risk, post bid submission to progress all schemes to ensure the authority meets the 2023 HIF completion deadline, subject to full review of spend on the existing allocation and a detailed breakdown of programme critical activities that need to continue beyond that allocation.**

Contact officer: David Carter

Position: Director of Infrastructure

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REPORT TO: WECA COMMITTEE

DATE: Friday 1st February 2019

REPORT TITLE: Housing Infrastructure Fund (HIF) bid for Bristol Temple Meads to Keynsham Strategic Growth Corridor A4/ A37

AUTHOR: DAVID CARTER - DIRECTOR OF INFRASTRUCTURE

Purpose of Report

The purpose of this report is to:

- 1 Update the WECA committee with regards to the HIF bid. The work that has been undertaken to refine the schemes and ensure a robust bid.
- 2 Communicate the proposed approach to submitting an ambitious bid that includes the A37/A4 corridor strategic interventions.
- 3 Request consultation on the final bid (once complete) with the Leaders and Chief Executives of WECA, BCC and BaNES as bid preparation work will continue up to the 1st March submission date (note that delegated authority to submit has already been granted).
- 4 Explain the need for a further of £500k to enable continued work on the schemes once the bid has been submitted to meet the delivery programme.

Recommendation

WECA committee to:

- Acknowledge that the submission of the HIF bid will be in consultation with the leaders and Chief Executives of WECA, BCC and BaNES, and will be on the basis of:
 - A bid that includes all schemes for a flagship JSP intervention from Bristol Temple Meads to Keynsham along the A4/A37 Corridor .
 - Recognise the need to show visibly recycled funding that is generated from HIF funded schemes, back into the HIF programme as a mandatory requirement of the bid criteria.
 - A risk share approach across the HIF programme.

In addition:

- Approve a further £500k to work at risk post bid submission to progress all schemes to ensure we meet the 2023 HIF completion deadline, subject to full review of spend on existing allocation, and detailed breakdown of programme critical activities that need to continue beyond that allocation.

Background:

- 5 Following the submission of an Expression of Interest (EoI) in August 2018, work has continued to develop and refine the proposed infrastructure schemes and alignment to

HIF criteria, i.e. Benefit Cost Ratio (BCR), number of houses delivered and strategic importance to the region.

- 6 Our proposed combination of infrastructure schemes, delivering a landmark intervention for the region, requires a programme level approach to ensure we maximise the potential to unlock housing within the proposed corridor.

Overarching Approach:

- 7 The HIF bid process is highly competitive and it is important that we meet the criteria; strategic approach, value for money (VfM), deliverability and detailed supporting documentation. The emphasis is very much on VfM; scheme cost to number of homes unlocked. Government want to see evidence-based bids. The link between the infrastructure requirement and direct houses unlocked must be clear.
- 8 Our HIF schemes have strong alignment between the infrastructure delivered and the successful movement of people between home and work via sustainable transport means. Reliable journey times, improvements to noise, air quality and economic benefits are clear. We need to ensure we demonstrate the links to direct houses unlocked.
- 9 Given the timescales, we will need to return to the leaders of WECA, BCC and BaNES once all the information is available to make a full and informed decision on the most robust option for submission.

Proposal / Solution (Bid Principles)

- 10 Our objectives when submitting the bid are to:
 - be a flagship intervention: the foundation for JSP delivery.
 - achieve a robust VFM/BCR.
 - identify all potential funds for recycling.
 - include strategically important schemes that are required to deliver full benefits of the corridor, but with some elements funded via recycling and potential WECA Investment Fund support rather than all HIF funding.
- 11 We will be clear that without HIF, housing delivery will not happen. We are seeking strong statements from planning, rail and highway authorities that without the infrastructure investment, housing will not be delivered. For example, Network Rail has produced a supporting statement based on Temple Meads capacity. We are seeking similar statements from local planning and highways authorities where appropriate.
- 12 There is clear evidence that money can be released for recycling back into the programme. This would come from land sale, S106 and roof tax. In creating a compelling bid it is essential that it is run as a programme of work, with shared resources, risk and funding across the programme. Money from land sale can be used across the programme, including Temple Meads, to deliver full realisation of Mass Transit on the A4 corridor.
- 13 This leveraging of recycled funds to achieve a wider programme of works than via the HIF funding itself should be seen as positive. Section 151 Officers will work to establish how this will work in practice.
- 14 In addition, we are seeking approval for financial support to enable the HIF team to continue to work at risk between the bid submission date (1st March 2019) and the announcement date (Homes England have suggested this will be approximately 20 weeks, but we have assumed 26 weeks at worst case).

Funding Request

- 15 The principle of recycled funding is an essential part of the HIF Forward Funding programme. We will have informed estimates for the bid. We know that the schemes

- have been well costed for this stage, and will have high level quantitative risk assessments completed. Our bid will be compelling and will show joint working. We request that the principle of risk sharing across BCC, BaNES and WECA is accepted.
- 16 If we are to deliver the programme within the HIF requirements (up to 2023) we must continue to work at risk between bid submission and announcement. We therefore request a further £500k to fund the work required to stay on programme. This will include but not be limited to, initial work on: design, land assembly progression (Inc CPO), stakeholder engagement, procurement requirements, environmental surveys and other pre-works as required. The details are provided in the Feasibility and Development Funding Application shown in Appendix A.
 - 17 It is recognised that £1m has already been allocated to developing the bid. This additional £500k will be subject to a full review of spend to date and any remaining, and a full breakdown of the programme critical work that needs to continue at pace to ensure deliverability, should we receive HIF funding.

Consultation details

- 18 A previous paper was brought to WECA committee on 27th July 2018.
- 19 Further work is continuing up to the 1st March 2019 deadline. Meetings are held every Tuesday with the BCC, BANES and WECA representatives..

Further Work

Continued evaluation of each element of the scheme to ensure we submit a robust bid, within the HIF criteria, and maximising BCR, whilst maintaining the integrity of the programme approach.

- 20 To finalise the bid and submit on 1st March 2019.
- 21 To advance the HIF delivery plan in advance of funding approval, in order to meet the 2023 funding deadline.

Risk Management

- 22 There are risks associated with submitting a robust but lower BCR bid that includes all required schemes for it to be a flag ship intervention of the JSP. There is an option of submitting a potentially higher BCR that would not include the full list of schemes.
- 23 We know that money is available from recycled means, although it is too early to fully quantify this amount. We need to consider how we clarify project costs as fully as possible, and take a prudent approach to recycled funds.

Public Sector Equality Duties

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

- different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

26 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.

Finance Implications

(Finance advice given by: Malcolm Coe)

- 27 To recommend to the WECA Committee to make available up to £500k from the Investment Fund to allow for continued work between the bid submission and announcement, subject to full review of spend on existing allocation, and detailed breakdown of programme critical activities that need to continue beyond that allocation.
- 28 Further costed financial information will be brought back for consideration at a later date.
- 29 Should the full bid amount not cover all scheme costs, consideration will be given to utilising other funding pots including WECA funding pots (TCF, IF) to ensure the full strategic scheme is delivered.

Legal Implications:

(Legal advice given by: Shahzia Daya)

- 30 Independent advice is being sought as to the best use of CPO powers to deliver the programme.

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email: democratic.services@westofengland-ca.gov.uk

Investment Fund - Feasibility and Development Funding Application Form

SCHEME : Housing Infrastructure Fund (HIF) bid for Bristol Temple Meads to Keynsham Strategic Growth Corridor A4/ A37

1. Lead Organisation

West of England Combined Authority (WECA)

2. Partner organisations

Bristol City Council (BCC), Bath and North East Somerset Council (BaNES)

3. Scheme contact details

Name:	Naomi Gornall
Email:	Naomi.gornall@westofengland-ca.gov.uk
Telephone:	0117 332 1504

4. Scheme Type – mark with an X

Transport	<input checked="" type="checkbox"/>
Non-Transport Housing Enabling	<input checked="" type="checkbox"/>
Business Support	<input type="checkbox"/>
Skills	<input type="checkbox"/>
Other (please specify)	

5. Is this investment linked to any others within the early investment or wider Investment Fund programme? If so please set out the relationship and linkages.

Details:

- A Housing Infrastructure Fund (HIF) bid will be submitted on 1st March 2019 requesting circa £250m for Bristol Temple Meads to Keynsham Strategic Growth Corridor A4/ A37 improvements. Our proposed combination of schemes, delivering a landmark intervention for the region. The request for up to a further £500k is to enable the team to work at risk post bid submission to progress all schemes to ensure we meet the 2023 HIF completion deadline.

Feasibility and Development Funding Application Form

6. Total Funding required for this phase of works

A. Spending Profile (£)

	18/19	19/20	20/21	Total
Investment Fund		£500k		
Match Funding - please state source(s)		£0		

B. Cost Breakdown (£)

	Investment Fund (£)	Match Funding (£)
In house staff costs	100k	
Third Party Support	200k	
Other (please specify)	Consultant (Planning/Engineering) 150k	
Other (please specify)	Consultant (Legal) £50k	
Total	500k	£0

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

A. Details of the scheme to be delivered:

WECA will be submitting a Housing Infrastructure Fund (HIF) bid as planned on 1 March 2019. The bid will be in the regions of £250m. Homes England have indicated that bids will take a minimum of 12 weeks to consider, with an assumed worst case of 26 weeks. Should the bid be successful, all bid money (circa £250m) must be spent by 2023. This is an ambitious timeframe given the scale of the schemes included and the size of the bid overall. This bid includes 20 different schemes to unlock the A4/A37 corridor. All projects have programmes showing the critical path activities. We know that the programmes show works in late 2023 and we therefore cannot afford to lose 12 weeks (or more) as these projects will slip into 2024. One of the main critical path activities is the Compulsory Purchase Order (CPO) process which takes a year and a half to implement assuming a usual timeframe. Therefore, it is essential that work continues immediately on submission of the bid during the bid consideration period.

Feasibility and Development Funding Application Form

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

This £500k will fund officer time within WECA, BCC and BaNES as well as any required consultant work between the submission of the bid and the announcement. Outputs from the work during this 12 -26 weeks will include: commissioning of all required CPO processes, continuing of design requirements for those schemes that have programme requirements in late 2023, land negotiations to ensure that the CPO processes do not extend further than is necessary, setting up required procurement processes to ensure that all schemes can be delivered in the HIF timeframe.

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

Details: Existing resources within WECA, BCC and BaNES will continue to be made available to progress this work. We have some existing commissions with consultants that can be extended to allow for some further work to be carried out. We have dedicated resources within WECA to manage the budget and all resources as required.

Feasibility and Development Funding Application Form

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

	Mark with an X	Date (mmm/yy)
Feasibility Study Report	<input type="checkbox"/>	
Option Development Report	<input type="checkbox"/>	
Option Appraisal Report	<input type="checkbox"/>	
Outline Business Case	<input type="checkbox"/>	
Full Business Case/	<input type="checkbox"/>	
Second Stage Skills Capital Application	<input type="checkbox"/>	
Other (please state)	Commissioning legal support for the CPO process	Apr/19
	Completion of all outline designs of preferred options for all schemes	Sept/19
	Commencement of land negotiation with all landowners	May/19
	Agreement of the Delivery method and setting up resourcing	June/19

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

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

Milestone	Date (mmm/yy)
Commissioning legal support for the CPO process	Apr/19
Completion of all outline designs of preferred options for all schemes	Sept/19
Commencement of land negotiation with all landowners	May/19
Agreement of the Delivery method and setting up resourcing	June/19

Feasibility and Development Funding Application Form

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

Milestone	Date (mmm/yy)
N/A – Once the HIF bid is confirmed no further requirement from IF.	

11. Application sign off by the promoting organisation:

Senior Responsible Owner	Name:	
	Signature:	
	Date:	

Section 151/Chief Finance Officer	Name:	
	Signature:	
	Date:	

Date approved by WECA Committee:	
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