

Western Gateway Sub-national Transport Body

Board Meeting

Paper A

Date **6th April 2022**

Title of report: **2021/22 Work Programme and Financial update**

Purpose of report: **To provide an update on work programme and budget position of Western Gateway Sub-National Transport Body.**

Recommendations:

The members of the Board are recommended to:

- I. Note the contents of the recent Department for Transport's funding allocation letter.
- II. Requested to approve continued annual member contribution of £20,000 per authority and agree to provision this in their respective budgets for the next three years.
- III. Requested to approve the suggested approach to updating our three-year business plan and its offline approval from the Board, subject to meeting the conditions set out in this paper.
- IV. Requested to reconfirm the role of the STB and advise on any amendments to existing arrangements with member authority cabinets and or committees, which would be required in order for the STB to carry out its function.
- V. Requested to delegate resourcing and capacity arrangements to the Senior Officers Group.
- VI. Note the update on delivery progress and overall programme.
- VII. Note the financial update and permit the STB to roll forward the Western Gateway STB underspend - £16,549

Introduction

- 1.1 This report contains an update on project progress.
- 1.2 The Department for Transport have also indicated our potential three-year settlement. The conditions of which are discussed in this report. It is proposed to update our draft business plan, to reflect the conditions set out in the funding letter. The programme team are seeking delegation to negotiate the detailed content of the Business Plan with the Department for Transport in consultation with stakeholders, the Senior Officer Group and Project Sponsors. This would then be circulated to the Board for formal approvals via email. Support is also required from the Board to agree the approach to delivery, future decisions and technical officer input on decisions.
- 1.3 This report contains an update on the Western Gateway STB's financial position. It also seeks to confirm the three-year settlement from our member authorities. This is requested to ensure that any resourcing required to deliver the programme is secured.
- 1.4 The programme team are requesting additional capacity is recruited into the programme team to support delivery.

Update on funding allocation letter from Department for Transport

Funding and Role of STB

- 1.6 Letter from Department for Transport received 21.03.22. Proposed allocation of £605,000 for the upcoming financial year. Subject to good delivery performance, approval of our Three-Year Business Plan and agreement of individual project scope with the Department for Transport Policy Lead and Sponsor; the Department has also allocated the STB - £816,000 in 23/24 and £896,000 in 24/25. This is a total of £2,317,000.
- 1.7 The programme team are recommending that member authorities also continue to provide the STB with £20,000 each per annum. This is a total of £540,000 from local contributions over the three year period.
This would provide the STB with a total three-year budget of £2,857,000.

Business Plan work programme

- 1.8 At the September 2021 Board the programme team, in conjunction with officers raised three potential scenarios for our three-year business plan. This was based on potential funding provisions.
- 1.9 It is proposed that the programme team update this business plan and seek offline approvals from the Board prior to submission of the finalised plan to the Department for Transport. This would ensure that the programme of works could commence as soon as funding was received. The following process is proposed for setting out the business plan:
- Primarily focus our business plan on taking forward our existing work programme and proposed next steps from our existing strategies.
 - Review the current work programme and priorities of each of our member authorities with technical and senior officers. Ensure that any recent amendments to legislation and government policy are also considered.
 - Seek input from the Board Project Sponsors, neighbouring STB's, the Western Gateway Powerhouse, our Transport and Business Forum and the Department for Transport policy leads.
 - In light of the successfully collaboration with the Peninsula STB it is proposed that a joint workshop is also held to discuss future joint working opportunities.
 - In order to ensure a robust programme is proposed for the 22/23 work it is also recommended that discussions are held with our supply chain to understand capacity.
 - Following this activity, the programme team would seek formal approval of the Business Plan via email from the Board in May.
 - The September 2021 Business Plan is included in Appendix one of this report.

Role of the STB

- 1.10 The funding letter also sets out what the Department for Transport sees as the primary role of the STB - "the two primary roles that your STB plays will be more important than ever: building and maintaining a transport strategy and using this to provide Government with advice on prioritising investment. Increasingly, we are also looking to STBs to support some of the Department's key policy agendas, for example on decarbonisation, electric vehicle infrastructure, better bus services, freight and local authority capability."
- 1.11 In September, the Board agreed in principle that the STB's operating model should, subject to suitable funding arrangements work towards facilitating delivery of the

study work through helping to produce business cases, prepare funding bids, running pilot schemes and providing technical assistance to the local authorities.

- 1.12 The Board agreed in principle to a shared ambition for the STB. To add value to our member authorities by collaborating to bring forward the delivery of common priorities. The STB can act as a centre of excellence providing support to our member authorities in developing early business cases, prioritising at a regional level where appropriate for regional funding bids and provide a single voice to government to secure transport investment and delivery.
- 1.13 It is noted that proposed operating model and ambition should be reflected in the STB's resourcing, Business Plan, delivery and funding arrangements. Political support is required to ensure each members respective cabinets and committees are satisfied with this role and advise on any issues or requirements that are necessary for the STB to deliver its functions.

Resourcing

- 1.14 The funding letter also permits some of the Department for Transport's funding to be used to build the STB's capability and capacity – i.e., resourcing. The letter states that the STB would need to reserve funding for any redundancies should the STB be wound up at a future point.
- 1.15 The Department's aim is to move STB funding to a basis where it is approximately proportionate to the size of the population of each STB region.
- 1.16 The programme team are recommending that permanent resource is not recruited to the STB, but additional capacity is recruited via Fixed Term Contract or secondment arrangements from our authority members. A discussion is required with the Senior Officers Group on the appropriate levels of staffing required to deliver our three-year plan.
- 1.17 This would need to ensure we provide good levels of support to our member authorities, deliver good performance and add value in delivery.
- 1.18 It is also noted that similar STBs in England have a Director level member of staff seconded or permanently attached to the STB. However, the majority of any resource funding would need to primarily focus on additional Technical staff and potentially providing Data and subject matter expertise.
- 1.19 How other STBs are resourced and operate should also be considered as part of this Business Plan. The programme team are proposing to review the resource arrangements of our neighbouring STBs in Peninsula, Midlands Connect and England's Economic Heartland.

Work Programme

- 1.20 To date the STB Programme team have delivered.

Delivered by	Project	Status
2019/20	Story of Place - Regional Evidence Base	Completed
	Economic Connectivity Study	Completed
	Major Road Network and Large Local Major scheme submission	Completed
	Sub-National Rail Strategy – Phase 1	Completed
2020/21	Port Access Study	Completed

Delivered by	Project	Status
	Sub-national Rail Strategy – Phase 2	Completed
	Strategic Transport Plan (2020-2025)	Completed
	Strategic Modelling Review Study	Completed
2021/22	Strategic Model	Completed
	Freight Strategy	Due for completion for April Board
	Rural Mobility	Due for completion for April Board
	Strategic Transport Plan Phase 1	Due for completion for April
	Rail Phase 1	Due for completion for April Board
	Carbon Audit	Delayed due to complete for July Board
	Coach	Due to complete for July Board
	Cycling	Delayed due to complete for July Board
	Coach	Due to complete for September Board
	Alternative Fuels for Freight	Due to complete for September Board

1.21 The current work programme is stated below:

Delivery in 2021/22	
Project	Current Forecasted Outcome
Strategic Transport Plan 2025-2050 Phase 1 Baseline and Scenario Plan	A report describing a clear narrative for the corridor and recommendations for future year scenario options to take forward for the Stage 2 Technical Assessment including phasing on schemes / initiatives for modelling.
Strategic Transport Plan 2025-2050 Phase 2 Technical Assessment	A technical report outlining the methodology used to undertake the assessment. The report will also appraise the impact of each scenario for each forecast year – this should include a technical assessment against the social / economic / environmental criteria agreed within the methodology report.
Strategic Transport Carbon Audit	Carbon baseline for transport, scenario and forecasting tool with underpinning data.
Freight Strategy	Joint Freight Strategy with the Peninsula STB that will be used to champion and support investment in schemes that ensure strategic freight movements are optimised and aligned with objectives of the wider long term STP with a proposed programme for investment. Compliments the national freight project that the Department for Transport are developing.
Rural Mobility	Joint strategy with the Peninsula STB that will provide an understanding of the challenges faced by rural areas and opportunities for measures that facilitate decarbonisation without disadvantaging rural communities. Provide a supporting document and evidence base for the longer term STP with a proposed programme for investment.
Alternative Fuels Vehicle Strategy	Joint study with the Peninsula STB to identify opportunities for Alternative Fuel provision for freight, private and passenger transport to support decarbonisation targets and to support our corridor based STP. Regional view of how policy could be adapted to WGSTB area.
Strategic Rail implementation	Partnership working with Network Rail to take forward the outputs from the Strategic Rail Studies into business case development.

Delivery in 2021/22	
Project	Current Forecasted Outcome
Coach Strategy	Identify opportunities to support the coach industry.
Delivery in 2022/23	
Project	Current Forecasted Outcome
Strategic Transport Plan Horizon 2025-2050 – Phase 3 Strategy	Longer term Strategic Transport Plan to 2050

1.5 Schemes in delivery - progress update:

- **Strategic Transport plan 2025-2050** – Amber–completion of Phase 1 delayed from December to April – due to delay in receipt of essential data and capacity issues. It is requested that the Board delegate approvals of the final baseline assessment report to the Chair in consultation with DfT Sponsor, DfT Policy Lead and Senior Officers.
 - Progress to date:
 - The project was delayed largely due to issues with resource and receipt of data required to support the baseline position. Data has now largely been received. Resource remains an issue, discussions are underway to mitigate now that the Department for Transport has raised the potential for a three-year settlement.
 - The project team continue to work with Highways England to ensure alignment of the M4 Dorset to South Coast study with our regional corridor-based schemes.
 - Contract has been agreed for the Phase 2 Technical Assessment work and the project has commenced
 - Next Steps:
 - Complete the phase 1 report upon receipt of remaining data. Hold final review and request approvals from SOG in consultation with Chair, DfT Policy Lead and DfT Sponsor.
 - April – commence work on do minimum forecast year model and carbon audit tool assessment. Complete EAST scheme appraisal.
 - August – complete Do Something forecast year model for Business as Usual and emerging, preferred growth scenarios.
 - October – aim to complete final technical assessment. Commence public consultation on strategy production.
- **Carbon Audit Project** – Amber, the delivery programme has been amended since the last report to include alignment between the carbon tool and the Strategic Model. This is to ensure due consideration is given alignment between the carbon tool and the strategic model. Project is due to complete July.
 - Progress to date:
 - The draft Baseline tool has been completed and is planned to be placed on the WGSTB in a ‘beta’ version for use and feedback by constituent authorities.
 - Additional work agreed to align this tool with the Strategic Transport Phase 2 technical assessment work. Funding for this work is included in the Phase 2 work.
 - Next Steps:
 - Completion of the options and levels technical report. The forecasting tool is tied into work being undertaken with the West of England Combined Authority and is due to output a forecast model

- for review at the end of April. At which time the project will seek to provide the project sponsor, Department for Transport technical lead and Senior Officers with an overview of the tool for review and approval.
- July – complete alignment of the carbon tool with the technical assessment phase 2 work.
 - Approval of the final transport decarbonisation model.
- **Freight – Green** – due to be presented to the Board for approvals in April.
 - Progress to date:
 - Reviews held with the Department for Transport and Project sponsor. The project has successfully completed the Strategy in a joint working arrangement with the Peninsula STB.
 - The project has agreed in principle subject to Board final approval to establish a Regional Freight Forum to provide industry input into the proposed next steps. The Strategy has outlined proposals to be taken forward both by the Western Gateway and Peninsula STB's and our authority members.
 - In consultation with Senior Officers the project has proposed that the Transport and Business Forum Chair will also act as a chair for the Freight Forum. A co-chair has been sought from the Peninsula STB.
 - Next Steps:
 - Propose a terms of reference for the forum and agree with Project Sponsor, Chair and Senior Officers. Circulate proposed date and time to industry stakeholders for mid-May. Launch the Freight Strategy to the forum and seek industry input on proposed next steps.
 - **Strategic Rail Programme – Green** – first phase of work is due to complete in April.
 - Progress to date:
 - The Board is requested to approve the proposed revised parking targets contained in Paper E.
 - The Cheltenham Spa project is due to complete output of designs, indicative BCR and proposed next steps at the end of March. This will not be delivered in time for the publication of this report; however, an overview will be provided at the Board.
 - Next Steps:
 - Update the Board and propose next steps to be included in the Business Plan.
 - **Alternative Fuels – Green** – due to complete July.
 - Progress to date:
 - Project is underway. In consultation with Senior Officers, it was agreed to include Peninsula STB in this work. This mirrors the Freight Strategy and will provide the South West Region with a better data set.
 - Next Steps:
 - Discuss the impact of additional Department for Transport funding received by Midlands Connect on our potential phase 2 shortlisting activity. It is understood that this may impact our potential timing, due to the niche nature of the data and supplier required to progress the work.
 - **Strategic Cycle Routes – Green** – June Completion (Est)
 - Progress to date:

- Consultant appointed
 - Strategic cycle network routes being identified
 - Supporting evidence work including demand, roles and opportunities being undertaken
 - Two workshops with local authority officers held on network ideas and prioritisation criteria
- Next Steps:
 - Draft network proposals expected mid May 2022.
 - Final report expected end of May 2022
 - .
- **Coach Strategy – Green – project due to complete September.**
 - Progress to date:
 - Proposal agreed with Department for Transport. Project has commenced
 - Next Steps:
 - Arrange data sets and workshop with technical officers, neighbouring STB's and industry stakeholders.
- **Rural Mobility – Green – due to complete at April Board.**
 - Progress to date:
 - Project has been completed jointly with the Peninsula STB.
 - Next steps:
 - Board approve strategy and agree next steps.

2021/22 Financial Year

- 1.6 To note funds were drawn down on a project-by-project basis. The underspend in the Department for Transport funding has not been drawn down and the allocation has been therefore released. The Western Gateway STB £16,549 underspend will be rolled forward to the next financial year.

Table A 2021/2022

INCOME	Budget	Received	Total Outturn	Variance Budget - Outturn
DfT Grant Carry over 20-21	£425,000	£425,000	£425,000	£0
DfT Grant 21-22	£425,000	£346,980	£346,980	£78,020
Sub-Total	£850,000	£771,980	£771,980	£78,020
Local Authority carry over 20-21	£38,670	£38,670	£38,670	£0
Local Authority income	£180,000	£180,000	£180,000	£0
Sub-Total	£218,670	£218,670	£218,670	£0
Total	£1,068,670	£990,650	£990,650	£78,020

EXPENDITURE	Budget	Committed Spend	Spend to Date	Remaining Forecast	Total Outturn	Variance Budget - Outturn
DfT Funded Projects	£850,000	£771,981	£479,316	£292,665	£771,981	£-78,019
Carbon Audit (20/21)	£20,000	£20,000	£20,000	£0	£20,000	£0
STP Phase 1 (20/21)	£120,000	£90,001	£63,741	£26,260	£90,001	£-29,999
Strategic Model (20/21)	£145,000	£141,075	£141,077	£0	£141,077	£-3,923
Freight (20/21)	£72,500	£72,500	£72,500	£0	£72,500	£0
Alternative Fuels (20/21)	£67,500	£41,356	£5,000	£36,356	£41,356	£-26,144
Rail Strategy (21/22)	£65,000	£65,000	£65,000		£65,000	£0
STP Phase 2 - Technical Assessment (21/22)	£140,000	£125,449	£5,000	£120,449	£125,449	£-14,551
Strategic Cycle project (21/22)	£60,000	£55,000	£15,000	£40,000	£55,000	£-5,000
Coach project (21/22)	£60,000	£71,600	£2,000	£69,600	£71,600	£11,600
Rural Mobility (21/22)	£100,000	£90,000	£89,998	£0	£89,998	£-10,002
WGSTB Funded Projects	£53,922	£71,256	£71,256	£0	£71,256	£17,334
Carbon Audit (20/21)	£53,922	£71,256	£71,256	£0	£71,256	£17,334
STB General Costs	£158,000	£158,035	£124,117		£124,117	£-33,883
Programme Management Team costs	£130,000	£130,000	£102,242		£102,242	£-27,758
Communication Support	£25,000	£25,000	£18,840		£18,840	£-6,160
Misc. - Expenses	£3,000	£3,035	£3,035		£3,035	£35
Total Expenditure	£1,061,922	£1,001,271	£674,689	£292,665	£967,354	£-94,568
WGSTB Exp	£211,922	£229,291	£195,373		£195,373	£-16,549
DfT Exp	£850,000	£771,981	£479,316		£771,981	£-78,019

Consultation, communication and engagement

- 2.1 This update has been discussed by the Programme Management Team and approved by Senior Officer Group.

Equalities Implications

- 3.1 No adverse impact on any protected groups.

Legal considerations

- 4.1 The Western Gateway STB remains an informal non-statutory partnership.

Financial considerations

- 5.1 The budget considerations are set out in this report.

Conclusion

- 6.1 The Board is recommended to note both the emerging work programme and YTD budget allocation for 2021/22.

Contact Officer

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APPENDIX ONE – September Draft Business Plan

Date	22 September 2021
Title of report:	Western Gateway Business Plan
Purpose of report:	To provide the Board with three scenarios for the Western Gateway’s Business Plan for 2022/23 to 2024/25.

Recommendations:

- i. Request to approve future role of the STB.
- ii. Request to approve the preferred scenario for the Business Plan (subject to negotiations with DfT and subsequent funding award).
- iii. Request to approve the prioritised work programme within each of the Business Plan scenarios subject to funding award.
- iv. Request to submit preferred Business Plan scenario to DfT for negotiation.
- v. Request to delegate negotiations with DfT to Senior Officers and the Programme Team
- vi. To note the programme team are recommending that the proposed final Business Plan is presented to the Board in January 2022 following the expected spending review timeline from government.

Introduction

- 1.1 This paper sets out three Business Plan scenarios for the Western Gateway Sub-national Transport Body (STB) for 2022/23 to 2024/25. At the STB Board meeting on 21 July 2021, it was agreed to produce a note on the Business Plan for consideration by the Board. The paper provides this. The intention is to use the paper as the starting point for discussions with and the basis for a bid to the Department for Transport for future funding as part of the Government’s Spending Review.
- 1.2 This report asks for decisions on three fundamental issues for taking the work of the Western Gateway STB forward:
 - 1) What is the future role of the STB? With major study work being completed, underway or about to start in 2021/22 there will be a limit as to how much further study work will be required. Should the STB now turn towards facilitating delivery of the study work through helping to produce business cases, prepare funding bids, running pilot schemes and providing

technical assistance to the local authorities or should it focus on a limited amount of new study work?

- 2) Depending on the future role of the STB which Business Plan scenario should the STB present to the Department for Transport for funding? Three scenarios are put forward in the report – carrying on as we are, ramping up our approach and supporting strong economic growth. Should all three scenarios be presented to the Department for Transport?
- 3) Given the likelihood of limited funding should the STB’s focus be on a prioritised programme of activities for example on alternative fuels and rail or should it spread its resources thinly to cover as many topic areas as possible?

1.3 Programme and finance updates on the Western Gateway’s work for 2021/22 are reported under a separate item on the agenda.

Our Ambition for 2022/23 to 2024/25

2.1 Our ambition is to add value to our member authorities by collaborating to bring forward the delivery of common priorities. The STB can act as a centre of excellence providing support to our member authorities in developing early business cases, prioritising at a regional level where appropriate for regional funding bids and provide a single voice to government to secure transport investment and delivery.

Our Aim

3.1 For 2022/23 to 2024/25 we aim to:

1. Co-ordinate and demonstrate delivery and provide a consistent cross boundary approach across the whole Western Gateway area for decarbonising transport and levelling up accessibility for everyone.
2. Work with our local authorities to market test proposals, prepare business cases potentially up to Outline Business Case (OBC), submit funding bids and facilitate delivery by providing technical support and development funding.
3. Take up a new role as part of Great British Railways local partnerships tailoring train services and infrastructure to local needs and bringing greater accountability to performance and spending.
4. Work with and assist National Highways (formerly Highways England) and Network Rail (up to the establishment of Great British Railways) on delivering their strategies and aligning our priorities.

3.2 To achieve this, we need a multi-year settlement. Acknowledging that funding levels are uncertain and what we do is dependent on funding three Business Plan scenarios are presented below. Scenarios Two and Three

commits the STB to a significant uplift in our work for future years. If we are to deliver and fulfil our role, a multi-year funding settlement will be essential.

Business Plan Scenarios

- 4.1 Three Business Plan scenarios are proposed ranging from carrying on as we are to ramping up our approach to supporting strong economic growth. The principle behind all three scenarios is to build on and take forward the current and planned programme of studies towards delivery on the ground creating a pipeline of schemes for investment. Under this approach the STB moves from being a funder of studies to a funder for delivery acting as a catalyst for investment. Limited funding, especially under Scenario One, means a highly focused approach will be needed, prioritising funding on key areas which will make a difference rather than spreading resources thinly across all work areas. In turn this will mean adopting a long-term elongated programme post 2024/25 to cover all of the Western Gateway's commitments. Flexibility over funding and priorities will be retained to ensure the Western Gateway can react to changes in Government policy and new funding sources becoming available.
- 4.2 The STB has received a settlement of £425,000 for the last two financial years. Based on this the funding levels in the Business Plan are based on a gradual ramp up of funding and resource. This is to allow for sufficient capacity in the team to develop a reasonable plan and also to ensure that any impact on our constituent member authorities is programmed in a considered manner. Once funding is determined a detailed ramp up implementation plan will need to be set out and agreed at by Senior Officers and the Board.
- 4.3 The three Business Plan scenarios are set out below.

Scenario One: Continue with existing funding – focused spend

- 5.1 Scenario One Summary - under Scenario One the annual budget remains the same at £605,000 made up of £425,000 from the Department for Transport (DfT) and £180,000 from the nine constituent STB authorities. Resourcing is to be agreed depending on scenarios, but no major increase in Full Time Equivalent (FTE) is planned. This scenario prioritises work based on DfT objectives to a limited number of projects:
- DfT funded work would include:
 - Decarbonisation - Alternative fuels – Freight & EV Charging
 - Strategic rail corridors – continued partnership working with Network Rail
 - Strategic Transport Plan - completion
 - STB funded work would include:
 - Maintaining the Secretariat and Rail Officer Group

- Infrastructure operator engagement & responding to proposals from Great British Railways, MRN and RIS proposals from National Highways and any DfT policy changes
- Freight – dependent on Freight Strategy, setting up and running a Freight Steering Group to facilitate the decarbonisation of Freight
- The remainder of the existing work programme for 2021/22 (as detailed under Agenda Item A) would be completed but no further work undertaken, or new studies or proposals started.

Project Details:

Strategic Transport Plan

- 5.2 Funding is required to complete the work on the Strategic Transport Plan and its four strategic travel corridors. The aim is to provide a public facing corridor strategy document which will feed into the STB wide strategy document. Consultation on the corridor strategy document will be undertaken and post consultation changes may be required. This work will be delivered in collaboration with our neighbouring STBs, and it will work alongside the plans of National Highways and Network Rail. The completion of this work is a condition of our funding arrangements with the Department of Transport and will work in concert with the other STBs in England, providing stakeholders with a holistic nation-wide transport strategy.

Decarbonisation

- 5.3 To support the Government’s decarbonising agenda and the Western Gateway’s own commitment to this, proposals for developing hydrogen and electric charging stations for freight and providing support for an electric charging network for other users is a priority for funding.
- 5.4 Emerging from the Alternative Fuels for Freight study will be a long list of refuelling/recharging stations. The next stage in the work is to refine this to a shortlist and to fund the work to Outline Business Case. Limited resources mean the local authorities and private sector will need assistance in delivering. The Western Gateway can provide assistance with site selection, capacity required for each site, technical specifics, demand for each site, planning permission, defining the delivery business model, engagement with providers, building and operating.
- 5.5 For the wider electric vehicle charging network the STB has a role to support, co-ordinate and standardise the approach to charging across the whole Western Gateway area. The DfT’s Electric Vehicle Charging Strategy and legislative changes, expected Autumn 2021, may place other requirements on STBs which will need to be picked up. There will also be a need to

support/facilitate the roll-out of interim measures around high blend renewable fuels, hydrotreated vegetable oil (HVO) and bio-methane recognising it will take a decade for the HGV fleet to convert.

Rail

- 5.6 Building on the work of the Western Gateway's Rail Strategy and the emerging outputs from Network Rail's strategic rail corridor studies it is proposed to fund and establish a rolling programme of investment. As Network Rail's studies are completed, they are built into the programme for taking forward thus ensuring a Western Gateway wide strategic approach is taken. Negotiation with Network Rail and members would be required to determine what outputs could be delivered alongside other funding sources for these projects. Some further prioritisation of schemes is likely to be required based on those discussions.
- 5.7 Network Rail's strategic corridor studies covering the Western Gateway area are:
- Bristol to Birmingham – about to be published with Western Gateway funding for 2021/22
 - Bristol to Exeter – completed and published with Western Gateway funding for 2021/22
 - West of England Main Line (Salisbury to Exeter) – completed and published
 - Dorset Strategic Connectivity – still at an early stage
 - Greater Bristol – to start September 2021
 - South West Main Line Phase 2 (Woking to Salisbury and Bournemouth) – expected July 2022
- 5.8 Whilst not a Network Rail corridor study there are the Bristol to Oxford and Oxford to Southampton via Swindon routes which will be jointly progressed with the East-West-Rail Consortium.
- 5.9 The Williams-Shapps Plan for Rail raised the opportunity for STBs to play a new role in the new Great British Railways (GBR). This could put the STB on a statutory footing with GBR with the ability to input into the new Passenger Service Contracts tailored to local needs and housing and employment growth. Funding is required to develop an STB proposal for submission to the DfT and the GBR Transition Team.
- 5.10 The existing rail programme as agreed at the Western Gateway Board on 21 March 2021 would be put on hold as part of the longer-term programme.

Major Road Network

- 5.11 Funding will be needed to respond to future rounds of the Major Road Network (MRN) funding and the development of National Highways' (formerly Highways England) third Route Investment Strategy. The funding will provide technical support for the Western Gateway.

Longer term programme

- 5.12 No further work during 2022/23 to 2024/25 would be undertaken on developing the evidence base, carbon baseline, the rural, coach and cycling strategies, International Connectivity and Maritime and the Rail Programme agreed at the 21 March 2021 Board. Work on these would form part of a longer-term programme post 2025. The Board may wish to consider whether the balance of projects for Scenario One is the right one, for example whether rural mobility should be a higher priority.
- 5.13 Funding for Scenario One severely restricts the ability of the STB to assist the member authorities with limited funding to support the development of business cases, funding bids and facilitate delivery. The chief risk to Scenario One is this will not address the dramatic changes needed to decarbonise transport, level up accessibility and tackle rural mobility.

Scenario Two Ramping up investment and deliver

- 6.1 Scenario Two Summary - includes everything under Scenario One but requires greater levels of funding to ramp up the programme of investment and delivery. Under Scenario Two there is a much stronger element of delivery requiring the annual budget required raised to up in 22/23 to £665,000, 23/24 to £800,000 and then 24/25 £1,000,000 excluding the £180,000 from the nine constituent STB authorities. Resourcing is to be agreed depending on scenarios, but an increase in FTEs is planned to include Data/Modelling capacity and additional Technical and Programme resource. It also includes funding for data capture and officer time in producing project deliverable from our constituent members to delivery projects. This would be agreed on a project by project basis.
- 6.2 Even with this increased level of funding this will be a challenging programme and it may not be possible to start all the areas of work during 2022/23 to 2024/25. It is likely, therefore, that priority decisions will need to be made and a longer-term post 2025 programme accepted.
- DfT funded work would focus on taking forward towards implementation the recommendations of the:
 - Decarbonisation - Alternative fuels – Freight & EV Charging
 - Strategic Transport Plan - completion

- Strategic rail corridors – continued partnership working with Network Rail taking helping to take forward their Strategic Rail Studies and restart the Rail Programme agreed by the Board on 17 March 2021.
- *Additional Project* Rural mobility - next steps
- *Additional Project* Freight strategy - next steps
- *Additional Project* Modelling -refresh
- STB funded work would include:
 - Maintaining the Secretariat, Rail Officer Group
 - Infrastructure operator engagement & responding to proposals from Great British Railways, MRN and RIS proposals from National Highways and any DfT policy changes
 - Freight – dependent on Freight Strategy setting up and running a Freight Steering Group to facilitate the decarbonisation of Freight

Project Details:

Rural mobility

6.3 Rural mobility is a key part of and will inform the Western Gateway's long term STP. The Rural Strategy work to be undertaken in 2021/22 will identify the area(s) where rural mobility issues are most pressing and develop proposals for robust pilot project(s) including new commercial and funding models for them. The pilot project(s) are likely to include bundles of measures drawing on but not limited to the use of new technologies, decarbonisation, Dynamic Demand Responsive Transport (DDRT), rural hubs with EV charging, new cycling and walking links, and making the best use of and improving access to existing transport provision. This work will further market test the potential for pilot areas, assist the member authorities in preparing funding bids and business case and ensure a cross boundary approach is taken.

6.4 Given the scale of the interventions significant levels of new funding will be needed. Should the pilot project(s) prove successful then they will form the template for extension to other rural parts of the Western Gateway. It is understood there will be a new DfT future rural transport fund to bid for.

Freight

6.5 The Freight Strategy work being undertaken jointly with the Peninsula STB will report at the end of 2021. The Strategy will be used to champion and support investment in schemes that ensure strategic freight movements are optimised and aligned with objectives of the wider long term STP.

6.6 It is expected the STB will take the lead on regional freight opportunities for decarbonisation and modal shift whilst continuing to work with National Highways and Network Rail on their freight strategies.

6.7 Proposals for going forward are likely to include:

- co-ordinate the impact of neighbouring STB, local plans and strategic plans on freight routes
- investigate opportunities for Trans-shipment
- co-ordinate bids and investment strategies providing a strategic regional overview
- deliver a programme of schemes to encourage decarbonisation and modal shift to rail and electric/hydrogen vehicles
- work in partnership with the freight industry, National Highways, DfT and Network Rail to facilitate and leverage industry aspirations.

6.8 This work will be delivered in collaboration with our neighbouring STBs, in particular the Peninsula, Transport for the South East, England's Economic Heartland and Midlands Connect as well as with the private sector through the STB Corridor groups and Transport and Business Forum.

Modelling

6.9 The Strategic Transport Model for the Western Gateway is nearing completion, and this will inform the long term STP providing the tools necessary to undertake technical assessment and inform desired strategy outcomes. To remain relevant the model will need to be kept up to date and reviewed so a limited budget is proposed for this. This is particularly in light of new behavioural trends in transport movements as the result of climate change, Brexit and the Covid Pandemic.

Rail

6.10 In addition to supporting taking forward the outputs from Network Rail's strategic corridor studies in Scenario One it is proposed to restart the rail programme agreed at the Western Gateway Board on 17 March 2021. This includes the following areas of work, which emerged from the Western Gateway Rail Strategy:

- Regional catchment gap analysis to identify a priority programme for key gateway/parkway style stations which serve wider catchment areas.
- Mobility hubs – extension of the West of England Combined Authority Future Transport Zone concept to Western Gateway area stations.

Longer term programme

- 6.11 No further work during 2022/23 to 2024/25 would be undertaken on developing the evidence base, cycling, carbon baseline, the coach strategy and International Connectivity and Maritime. Work on these would form part of a longer-term programme post 2025. If there is insufficient funding to take forward all of the projects under Scenario Two, then those which are not allocated prioritised funds will move into the post 2025 programme.

Scenario Three – Strong Growth

7.1 Scenario Three Summary – Scenario Three takes everything in Scenarios One and Two increasing the level of investment across the work areas. Scenario Three has the strongest element of delivery of all three scenarios and as such the annual budget required ramps up in 22/23 to £800,000, 23/24 to £1,200,000 then 24/25 £1,610,000 excluding the £180,000 from the nine constituent STB authorities. This represents a significant increase on the budget for Scenarios One and Two. Resourcing is to be agreed depending on scenarios but significant increase in FTE's is planned to include Data/Modelling capacity and additional Technical and Programme resource. It also includes funding for data capture and officer time in producing project deliverable from our constituent members to delivery projects. This would be agreed on a project by project basis. As with Scenario Two, even with this increased level of funding it may not be possible to start all the areas of work during 2022/23 to 2024/25 so it is likely priority decisions will need to be made and a longer-term post 2025 programme accepted.

- DfT funded work would focus on taking forward towards implementation the recommendations of the:
 - Decarbonisation - Alternative fuels – Freight & EV Charging
 - Strategic Transport Plan - completion
 - Strategic rail corridors – continued partnership working with Network Rail taking helping to take forward their Strategic Rail Studies and the Rail Programme agreed at the Board on 17 March 2021
 - Rural mobility - next steps
 - Freight strategy - next steps
 - Modelling -refresh
- STB funded work would include:
 - Maintaining the Secretariat, Rail Officer Group
 - Infrastructure operator engagement & responding to proposals from Great British Railways, MRN and RIS proposals from National Highways and any DfT policy changes
 - Freight – dependent on Freight Strategy setting up and running a Freight Steering Group to facilitate the decarbonisation of Freight

Project Details:

Increased investment in Rural Mobility, Freight, Alternative Fuels

- 7.2 Under Scenario Three the scale of interventions for the rural mobility pilot project(s) would be extended and other potential project areas added. Similarly, for freight and alternative fuels the business case development work and geographical coverage for schemes would be extended and accelerated.

Strategic Rail Corridors

- 7.3 Scenario One and Two provide limited funding to take forward the outputs of Network Rail's strategic rail corridor studies. Scenario 3 increases the level of funding significantly to enable feasibility and design work to start across a wider range of projects as well as furthering the development and implementation of the initial measures included under Scenario One and Two. Rail will have a major role to play in achieving a modal shift, decarbonisation and opening up new travel opportunities. Increasing the level of funding supports these aims will enable earlier delivery of key rail schemes.

Longer term programme

- 7.4 If there is insufficient funding to take forward all of the projects under Scenario Three, then those which are not allocated prioritised funds will move into the post 2025 programme.

Post 2024/25 Programme

- 8.1 With Scenarios Two and Three based on a gradual ramp up of funding and resource it will be challenging to undertake work across all current Western Gateway project areas. Below are the projects where work will need to form part of a longer post 2024/25 programme.

Strategic Cycling

- 8.2 The Cycling Strategy work to be undertaken in 2021/22 will identify opportunities for longer distance cycling journeys including E-Scooters and E-Bikes, strategic cycle routes and interchange with public transport hubs. It is expected to identify gaps and the investment opportunities for strategic cycle routes between the Western Gateway member authorities. As with rural mobility it is a key part of and will inform the Western Gateway's long term STP and supports our region's decarbonisation targets, levelling up and health initiatives.
- 8.3 With the Strategy completed the next step is implementation of its recommendations. The STB will assist the Western Gateway authorities in preparing funding bids for a prioritised programme of schemes and business case preparation. The STB will co-ordinate bids and provide a strategic regional overview enabling more effective and joined up bids. Future work-

packages in this project will feed into a longer-term investment strategy and support for the Western Gateway authorities. The work will be carried out in collaboration with Sustrans and the member authorities.

Data Hub

- 8.4 It is proposed to create a Western Gateway data centre of excellence, a repository of transport data – national and local, population data, other socio-economic data, consultation responses, health data, housing and employment data, air quality, maritime data, aviation data, freight data in one place creating a one stop shop data hub.
- 8.5 The data hub would provide an online access and capability to all the Western Gateway authorities. The hub will be used to support strategy and business case development for the STB and local authorities and assist and be available to National Highways, Network Rail and the DfT. The intention is to build on the current West of England Combined Authority Future Transport Zone Data Hub project.
- 8.6 The data hub could be a potential source of income through selling access to external promoters and developers of transport and land use schemes.

International connectivity and maritime

- 8.7 Under Scenarios One, Two and Three no work on international connectivity and maritime is proposed. With Union connectivity a key Government objective this work will develop proposals for the Western Gateway area. The work will consider how maritime transport can have a greater role to play in offering alternatives to road-based freight – coastal and inland shipping and the development of alternative fuels.
- 8.8 The work will draw up an agreed programme of measures for investment by the DfT, National Highways, Network Rail and the Western Gateway authorities. Funding will be used to develop business cases and prepare funding bids for prioritised schemes.
- 8.9 The risk of not prioritising international connectivity and maritime under Scenarios One, Two and Three is missing funding opportunities for demonstration projects which arise periodically and for which the Western Gateway authorities are generally not resourced or informed enough to go for.

Coach

- 8.10 The Coach Strategy, to be undertaken in 2021/22 will identify opportunities for supporting of the coach industry and provide a regional view of how policy

and infrastructure could be adapted to best serve it. The work will provide an evidence base and supporting document to the long term STP. Future work will require funding to implement the recommendations of the Coach Strategy.

Rail

8.11 This work involved taking forward more elements from the Western Gateway Rail Strategy:

- Produce a business case for promoting/ supporting better modal integration.
- New approach to travel plans and prioritised programme produced.
- Guidance framework to provide a consistent approach and assist local authorities in ensuring their Local Plans promote rail access.

Financial considerations

9.1 The table below sets out for the three Business Plan Scenarios the funding required for 2022/23 to 2024/25. Subject to Board agreement the selected Scenario will form the basis of the funding bid to the DfT. Depending on the funding awarded the STB may need to obtain additional resource to support its work programme.

Business Plan scenario	2022/23	2023/24	2024/25	Total
Scenario One <ul style="list-style-type: none"> • STP completion • Alternative Fuels • Strategic Rail Corridors • Great British Railways STB role • Response to MRN and RIS 	£425,000	£425,000	£425,000	£1,275,000
Scenario Two As per Scenario One plus: <ul style="list-style-type: none"> • Rural Mobility • Freight • Modelling update • Rail Strategy programme 	£665,000	£800,000	£1,000,000	£2,465,000
Scenario Three As per Scenarios One and Two plus: <ul style="list-style-type: none"> • Increased investment in projects to build business cases and pilots 	£800,000	£1,200,000	£1,600,000	£3,600,000

Note: The Western Gateway member authorities' annual contribution of £20,000 each is not included in the above figures.

10 Consultation, communication and engagement

- 10.1 The three Business Plan scenarios have been shared with the Western Gateway's Senior Officer Group and Transport Officer Group and officers from the Peninsula STB. Responses have shaped this report especially around focusing the spend under Scenarios One and Two.
- 10.2 The Western Gateway will continue to work with the other STBs and the DfT to maximise economies of scale, avoid duplication and ensure a consistent cross STB boundary approach is taken. This is already happening with the Joint Freight Study with the Peninsula STB. We expect much of our Business Plan (Scenarios One to Three) will take a similar approach.
- 10.3 No public participation is planned for the Business Plan.

Equalities Implications

- 11.1 No adverse impact on any protected groups.

Legal considerations

- 12.1 The Western Gateway STB remains an informal non-statutory partnership.

Summary

- 13.1 We look forward to working closely with the Department for Transport and our neighbouring STBs to start to make the difference for our region, so we are at the forefront of decarbonising our transport network and levelling up accessibility for everyone.

Conclusion

- 14.1 This report asks for decisions on:
- i. Request to approve future role of the STB.
 - ii. Request to approve the preferred scenario for the Business Plan (subject to negotiations with DfT and subsequent funding award).
 - iii. Request to approve the prioritised work programme within each of the Business Plan scenarios subject to funding award.
 - iv. Request to submit preferred Business Plan scenario to DfT for negotiation.
 - v. Request to delegate negotiations with DfT to Senior Officers and the Programme Team.
 - vi. To note the programme team are recommending that the proposed final Business Plan is presented to the Board in January 2022 following the expected spending review timeline from government.

Contact Officer

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