

Western Gateway Sub-national Transport Body

Board Meeting

Paper C

Date **30th September 2026**

Title of report: **Future funding for the Western Gateway**

Purpose of report: **To report on future funding for the Western Gateway and constituent authority contributions for 2027/28**

Recommendations:

The members of the Board are recommended to:

- I. Confirm their local authorities' annual £24,000 contribution to the Western Gateway sub-national Transport Body for 2027/28 and include it in their budget making processes.
- II. Request the constituent authorities give an early indication of whether they will be able to continue to financially support the Western Gateway in 2028/29.

1. Background

1.1 At the Western Gateway Board on 25th February 2026 a two year Work Plan was approved. The constituent authorities were asked to increase their annual contribution from £20,000 to £24,000 for 2026/27. Seven of the nine authorities provided funding. A protocol for non-payment is Item 5, Paper A on this Board's agenda.

1.2 For 2027/28 a budget of £637,000 was approved as shown in Table One.

Table One: 2027/28 Budget

Expenditure 2027/28	Amount
Staff and organisational costs	£359,000
Projects/early business case development	£278,000
Total	£637,000

Note: Department for Transport (DfT) funding ceases at the end of 2026/27.

- 1.3 This budget is fully funded from reserves held by the Western Gateway. It enables posts to be funded to March 2028 without the constituent authority contributions. With authority contributions, however, a substantially larger project fund is available particularly for more early business case development funding for Strategic Investment Plan (SIP) schemes.
- 1.4 This report sets out a request for the constituent authorities to continue to contribute in 2027/28 and to include it in their budget planning processes.
- 1.5 There is currently no budget or funding for the Western Gateway beyond March 2028.

2. Role of the Western Gateway

- 2.1 In drawing up the Work Plan the Board asked the focus to be on:
 - Strategic Transport Plan/Strategic Investment Plan light touch refresh leading to revised list of priority schemes for;
 - Early business case development and;
 - Advocacy for priority SIP schemes and case for change
 - Promoting regional collaboration and conversation
 - Technical support
- 2.2 The light touch refresh of the SIP is now complete. Item 6, Paper B sets out the proposed list of regionally significant schemes for early business case development funding. Item 6 includes schemes for which no funding is available for in 2026/27 and a longer list of future schemes with some deferred for decision to 2027/28. The Western Gateway would like to provide early business case development funding for as many of these as possible. A light touch refresh of the STP will be undertaken.
- 2.3 The need to promote regional collaboration remains clear as the picture around new Foundation Strategic Authorities (FSA) and local government reorganisation is uncertain. As an example the A303 West of England Line Corridor Task Force would not exist without the lead shown by the Western Gateway and Peninsula Transport bringing everyone together. There are no equivalent bodies to take on this role. Similarly our work on Westbury Platform and rural mobility pilots would not have happened without the Western Gateway's input.
- 2.4 The Western Gateway's approach ensures regional collaboration and technical support and pushes forward projects with high regional significance. It helps the constituent authorities and emerging FSAs and Mayoral Combined Authorities (MCA) to keep thinking sub-nationally and talking to each other by providing support through continued early business case support and advocacy for SIP priority schemes, support for regional freight and EV forums and hosting the Regional Centre of Excellence with its spatial planning tools. We will continue to engage with Network Rail, National Highways and Homes England

on studies, projects and consultations. Projects will be progressed in a way that allows future FSAs and MCAs to pick them up and deliver.

- 2.5 The DfT have stated STBs will remain valuable partners to them and its agencies as they continue to provide regional advocacy and support to their members. The Western Gateway provides consistency, continuity and a collective message for the DfT.
- 2.6 In summary reasons to continue to fund the Western Gateway are shown in Table Two alongside how these functions could be alternatively provided.

Table Two: Western Gateway role

Western Gateway Workstream	Alternative provision
Provide additional funding for early business case development for SIP schemes which have regional benefits	Individual local authority to find the funding. Less likelihood of funding being available.
Continuation of the regional voice for transport during transition towards new combined authorities and local government reorganisation	Individual local authority to lead on behalf of all the authorities providing staff and technical support. Unlikely any authority will be willing to take on this leadership role.
Continuation of case for change work for key projects including the A303 West of England Line Corridor, Heart of Wessex Line and rural mobility. Western Gateway is uniquely placed to take on this role.	Individual local authority to fund and lead. Unlikely any authority will take on this role.
Linkages and ongoing stakeholder relationships – with neighbouring STBs especially Peninsula Transport, Network Rail, National Highways, Department for Transport and Homes England	Individual local authority to lead on behalf of all the authorities providing staff and technical support. Unlikely any authority will take on this role.

- 2.7 The current budget for 2027/28 will provide funding to continue these roles, as intended by the Work Plan, but it is the scale and extent of them which will be expanded with continued contributions from the constituent authorities. As mentioned this is particularly the case for the early business case development funding for SIP schemes.

3. Local authority contributions for 2027/28

- 3.1 The Western Gateway fully recognises the financial constraints the constituent authorities are under and it was regrettable that two authorities Bournemouth, Christchurch & Poole and Bath & North East Somerset were unable to contribute for 2026/27. We acknowledge this situation is likely to continue. Item 5, Paper A to the Board sets out the protocol for non-payment.

- 3.2 The request is for the constituent authorities who are able, to provide £24,000 each for 2027/28 to support the Western Gateway's role as set out in Table Two. This is unchanged from the contribution for 2026/27. They are also requested to include it in their budget making processes.
- 3.3 The authorities are also asked to give an indication of whether they will be able to continue to financially support the Western Gateway in 2028/29 given all the uncertainties around devolution and local government reorganisation and the need to continue to provide the regional transport conversation. A two year commitment will enable planning ahead with greater certainty. Other STBs are taking a similar approach (see Section 4.).

4. Situation with other Sub-national Transport Bodies

- 4.1 The situation across the other Sub-national Transport Bodies varies. England's Economic Heartland have secured three years of funding from the East West Rail/Oxfordshire Cambridgeshire Arc. Transport East are to receive two years of funding to support the Department for Transport on rural mobility (the DfT no longer has any in house expertise on rural mobility). They also receive contributions from their local authorities. Transport for the North as the only statutory STB continues to receive funding direct from the DfT although this has been substantially cut. Midlands Connect, Transport for the South East and Peninsula Transport are all reliant on local authority contributions. They are all seeking to maintain contributions for 2027/28 and seek commitments for two or in the case of Midlands Connect three years of funding. In some cases an increase is sought.
- 4.2 In the other STBs the local authorities contribute at a higher rate than those of the Western Gateway. For Peninsula Transport the average is £38,000 per authority, for Transport for the South East the figures range from £30,000 to £58,000 and for Transport East between £28,000 and £48,000 depending on the size of the authority. Transport East contributions have a built in annual inflation increase.

5. Other funding sources

- 5.1 The Western Gateway will continue to explore other options for funding recognising many organisations such as universities and transport providers are facing budgetary pressures. We will keep the Work Plan under review. With the uncertainty around devolution and Local Government Reorganisation the need to act more as a regional convenor and focus on core proposals that partners would struggle to deliver or influence effectively in isolation remains relevant.
- 5.2 Midlands Connect are moving to a model whereby the two main mayoral authorities (West Midlands and East Midlands) fund two thirds of the STB budget with the rest from the other constituent authorities. Equal voting rights remain. Transport East with the likelihood of two new mayoral authorities is looking to embed the role of the STB in both, bringing them together and providing regional support. Both approaches are possible options for the

Western Gateway to pursue in the light of devolution and the creation of a Wessex authority.

- 5.3 The Board's thoughts on possible models going forward are sought as are suggestions for alternative sources of funding and contacts.

6. Consultation, communication and engagement

- 6.1 This report has been shared with the Senior Officers Group for comment and input.

7. Equalities Implications

- 7.1 No adverse impact on any protected groups. The schemes on the Strategic Investment Plan list will improve connectivity, enable new opportunities to travel and greater accessibility to key destinations and services.

8. Legal considerations

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

9. Financial considerations

- 9.1 The £637,000 budget for 2027/28 is fully funded through reserves held by the Western Gateway. It was planned around there being no contributions from the constituent authorities. With their contributions a substantially larger project fund for early business case development is available.
- 9.2 The DfT has long required STBs to hold a contingency budget to pay for redundancies and other winding up costs should they cease to exist. The West of England Combined Authority as the accountable body is liable for redundancy payments. Any other winding up costs will be met from the remaining budget.
- 9.3 With financial constraints across several of the constituent authorities it is unlikely one authority will have the resource to take on the Western Gateway role, promote cross boundary working and represent the transport voice for the region. The Western Gateway provides a low cost way of doing this.

10. Conclusion and recommendations

- 10.1 The Board is asked to approve the recommendations set out at the beginning of this report.

Contact Officers

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