

SUBJECT: Chepstow Transport Hub – Request for Match Funding to Progress the LUF project.

MEETING: County Council

DATE: 17th July 2025

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

To seek approval from the County Council to proceed with the Chepstow LUF project and the allocation of £1,407,692 of capital match funding.

2. RECOMMENDATIONS:

It is recommended that:

- 2.1 Council agrees to proceed with the Chepstow LUF project and authorises officers to commence the on-boarding process.
- 2.2 Council agrees to underwrite capital match funding of £1,407,692 to be drawn down between the financial years 25/26 and 28/29.
- 2.3 Council asks the Cabinet Member and Officers to use best endeavours to displace the need to draw on capital through the alternative funding mechanisms
- 2.4 Council delegates to the Chief Officer Infrastructure, in consultation with the Cabinet Member, discretion to develop the overall project through ongoing engagement with local Members, Chepstow Town Council and community stakeholders to maximise the benefits of the scheme within the approved budget and LUF parameters.

3. KEY ISSUES:

- 3.1 The Councils Community and Corporate Plan and the Local Transport Strategy recognise the importance of providing improved access to sustainable transport options to reduce inequality, carbon emissions and the reliance on private cars to access work, education, or essential services. A key component of the Local Transport Strategy is developing integrated transport solutions to create a single, unified public transport network.
- 3.2 The transport network in Chepstow is impacted by external factors that have combined to create significant congestion at peak times. The A48 and A466 through Chepstow form the primary routes for traffic travelling to or from the M4, M48 to greater Bristol, Gloucestershire, Chepstow, and Severnside. As the A48 provides the only major river crossing in the area, settlements in Gloucester use this route to access the M48, creating significant traffic movements through the centre of Chepstow. Welsh Government has commissioned studies to improve traffic flows at High Beech, but these have yet to transition into the delivery of agreed interventions.

- 3.3 The Chepstow Place Making Plan highlights the lack of alternative transport options and the impact that this has on the environmental and economic wellbeing of Chepstow. Feedback from the consultation process highlighted concerns over the lack of public transport, safe active travel routes and lack of safe crossing points. The provision of a bus and rail interchange and bus stops in the town centre is cited as one of the primary projects.
- 3.4 In recognition of the increasing congestion, ambitions for residential growth in neighbouring Counties and the need to stimulate improved sustainable transport opportunities, the Council submitted a Chepstow Transport Bid to round 2 of the Levelling Up Fund in July 2022. The bid was made up of three projects borne out of two WelTAG studies; the creation of an integrated transport hub at Chepstow Railway Station; improvements to the Chepstow public bus network and improvements to the active travel network. The total cost of the three projects was £7,467,600 made up of a LUF bid of £5,227,320 and 30% match funding amounting to £2,240,280.

Chepstow Transport Hub

- 3.5 This project proposed the removal of the car parking on the forecourt at Chepstow railway station to provide two bus stops and turning circle, creating a bus / rail interchange. It also included the provision of electric vehicle charging infrastructure, taxi rank, cycle parking and public realm improvements.

Local Bus Upgrades

- 3.6 In order to provide an improved bus network within Chepstow, eight individual projects were identified which included the options of bus stop infrastructure at Moor Street, Mount Pleasant, and Welsh Street. Other proposals include the signalisation of the A48 junction with Hardwick Terrace, a pedestrian crossing on the junction between the A48 and Tesco and a bus only access to Chepstow Community Hospital. These proposals were identified following a WelTAG 2 study completed in 2021 and will be subject to review.

Active Travel Network

- 3.7 The bid proposed the delivery of active travel infrastructure to encourage walking and cycling for shorter journeys. Further consultation is currently taking place.
- 3.8 The Council was advised in early 2023, that the bid had been unsuccessful and the project was put in abeyance. Without any prior contact with the Council, the then Chancellor announced in the Autumn Budget of 2023 that funding of £5,227,320 had been allocated to enable the project to be implemented.
- 3.9 Due to the time that had elapsed since the submission of the bid a review of the project scope and costs was commenced to ensure that the outcomes and outputs specified in the bid remained viable. The process however was once again put in abeyance following the announcement of the General Election and the subsequent spending review.
- 3.10 The delays, however, have afforded the Council the opportunity to review the submission and identify opportunities to broaden the scope thereby maximising the value of the benefits to the local community. A review of the original Transport Hub bid was undertaken with a view to reduce the construction costs and lever in additionality to drive improved

outcomes. As a result, the scheme has now been changed to include two new projects. The first is the refurbishment of the station building to provide public toilets. Discussions have been initiated with the owners to seek their approval to the proposals and explore the opportunity for the provision of a waiting room. The ongoing revenue costs associated with the providing the public toilets will remain with the Council.

- 3.11 We have also reflected on the concerns raised over the loss of car parking at the station forecourt. The purpose of this project is to encourage the use of sustainable transport, and it has become evident that the lack of readily available parking will deter potential train users. To overcome this concern, we are proposing the provision of park and ride car parking spaces through the acquisition of third-party land.
- 3.12 The proposals for public bus and active travel networks remain largely unchanged as further design work is necessary to ascertain the financial viability of the proposals. There are ongoing consultations underway to assist the development of the preferred active travel interventions, maximising the opportunities presented by the 20mph speed limits.
- 3.13 To progress the Chepstow LUF project, the Council is required to complete an on-boarding process with UK government. Part of this process will require a commitment from the Council to meet the match funding requirement. There have been on-going discussions with UK Government officials to seek their views on the inclusion of the additional projects and the potential to reduce the match funding element from 30% to 20%. Whilst no formal decision can be made until the on-boarding process has been concluded, there been no indications that our proposals will be rejected, albeit that remains a risk at this stage of the process.
- 3.14 Whilst the report is seeking the underwriting of the total match funding requirement of £1,407,692, officers will continue to seek alternative funding mechanisms to reduce the Councils capital commitment. The LUF grant funding dictates that the project must have allocated and spent all the grant funding by the end of the 27/28 financial year, however match funding can be incurred in the 28/29 year. Costs at this stage are subject to the completion of detailed designs and subsequent procurement exercises, however it is not anticipated that the funding envelope will change. Should costs be higher than forecast, a combination of value engineering and alternative funding mechanisms will be deployed to avoid a further call on Council resources.
- 3.15 We recognise the importance of ensuring that the scheme delivers the specified outcomes and outputs of the bid submission, but more importantly meets the needs of the local community. Ongoing engagement will be undertaken with local representatives, stakeholders, and the community to ensure that we derive the maximum value from the scheme.
- 3.16 The proposals will not result directly in the provision of an accessible footbridge; however, we will continue to support Network Rail and other stakeholders in lobbying for the construction of this much needed footbridge.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

The proposal will result in increased access to sustainable public transport in the Chepstow area improving access to employment, education, and services for those who do not have a private car. Reducing private car journeys will also result in a reduction in carbon emissions. The creation of an improved active travel network will provide opportunities for physical activity and improved health and well-being.

There are no safeguarding or corporate parenting implications.

5. OPTIONS APPRAISAL

- 5.1 The Council has the option to do nothing, thereby rejecting the grant award and not proceeding with the project. It is not recommended that this option is adopted as this will result in the loss of over five million pounds of grant funding and the opportunity to improve access to sustainable transport in the Chepstow area.
- 5.2 We recommend that the Council accepts the recommendations to progress the revised scheme as outlined above. This will lever in a minimum of circa £5.2 million grant funding which will derive broader public transport benefits, improve facilities at Chepstow railway station, and create additional parking opportunities.

6. REASONS:

- 6.1 The UK Governments Levelling Up Fund (LUF) was established to invest in projects that have a visible impact on local communities, targeting high value local investment priorities such as transport schemes. The Fund was jointly managed by the HM Treasury, Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Transport (DfT).
- 6.2 Chepstow continues to suffer with increasing congestion arising from commuter traffic movements accessing the M48. Sustainable transport options are limited, and potential train users are disincentivized due to the lack of direct bus links and available parking provision. The train station lacks basic facilities such as toilet provision and disabled access to platforms. The LUF scheme will address a number of these deficiencies and provide increased opportunities for community members to use sustainable transport.
- 6.3 Many studies have been and continue to be undertaken to address the congestion issues, but little or no tangible progress has been made in translating recommendations into delivered outputs/ outcomes. The LUF scheme will have visible and tangible benefits and align with local, regional, and national transport policies to improve access to sustainable transport to reduce the need for private car journeys.
- 6.4 Whilst the scheme outputs and outcomes are fixed, there are opportunities to improve and enhance these through ongoing dialogue with the community.

- 6.5 The Council continues to campaign for the delivery of the Burns recommendations in particular the creation of a new link road between the M48 and the B4245 which will create a direct link to a park and ride at Severn Tunnel Junction railway station, create a new bus access and help re-direct Severnside traffic away from High beech roundabout.

7. RESOURCE IMPLICATIONS:

- 7.1 The LUF scheme requires the Council to underwrite a capital match funding contribution of £1,407,692, which is equivalent to 20% of the scheme cost. The funding can be spread over a maximum of four financial years commencing in 25/26.
- 7.2 Officers will continue to seek out alternative funding opportunities to reduce the capital commitment of the Council.

8. CONSULTEES:

Cabinet
Strategic Leadership Team

9. BACKGROUND PAPERS:

None

10. AUTHOR:

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11. CONTACT DETAILS:

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