

TRANSPORT EXECUTIVE BOARD

Date: Thursday 17 November 2016

Venue: Sheffield Town Hall, Pinstone Street, Sheffield

Time: 2.00 pm

AGENDA

Item	Subject	Method	Lead	Page
	<u>Introduction</u>			
1	Welcome and Apologies	Verbal	Chair	
2	Minutes and Actions of the Previous Meeting & Matters Arising	Paper	Chair	1 - 8
3	Declarations of Interest	Verbal	All	
4	Urgent Items/Announcements	Verbal	All	
	<u>Business Items</u>			
5	Northern Powerhouse Rail Sequence 2 Work	Presentation	S Rockett	
6	Outcome of SCRIP Launch at MIPIM UK and Next Steps	Paper	M Lynam	9 - 14
	<u>Discussion Items</u>			
7	SCR Transport Strategy	Verbal	All	
	<u>Updates</u>			
8	East Midlands Rail Franchise & Midland Mainline Update	Paper	A Forrest	15 - 24
9.1	Feedback from HS2 Programme Board on 26 October 2016	Verbal	M Lynam	

Item	Subject	Method	Lead	Page
9.2	HS2 Programme Board Terms of Reference	Paper	M Lynam	25 - 30
10	SCR Meeting with TfN Update	Verbal	M McKervey	
11	DfT Modelling Consultation	Verbal	C Shepherd	
<u>Actions & Forward Planning</u>				
12	Agree Actions & Summary for Resolution Log	Verbal	Chair	
	Forward Plan			
13	<ul style="list-style-type: none"> • Performance Dashboard • December paper deadlines 	Verbal	M Lynam	
14	Any Other Business	Verbal	All	

DATE OF NEXT MEETING – 12th January 2017

SCR TRANSPORT EXECUTIVE BOARD

6th OCTOBER 2016

BROAD STREET WEST, SHEFFIELD

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Board Members</u> Cllr Julie Dore, SCC Martin McKervey, Nabarro / LEP Diana Terris, BMBC</p> <p><u>In Attendance / Advisory Members</u> Simon Green, SCC Steve Edwards, SYPTE Alex Linton, SYLTP Peter Dale, DMBC Damien Wilson, RMBC Matt Gladstone, BMBC Julie Hurley, SCR Exec Team Gillian Heyworth, SCR Exec Team Katie Jackson, SCC / SCR Exec Team Jim Seymour, DCC Craig Tyler, Joint Authorities Governance Unit</p> <p>Apologies were received from Board Members: Simon Carr (Henry Boot, LEP), Neil Taylor (BaDC) and Cllr John Burrows (CBC) + Mike Ashworth (DCC)</p>	
2	<p><u>Minutes of the Previous Meeting</u></p> <p>The minutes of the previous meeting held on 14th July were agreed to be an accurate record.</p> <p>The following matters were noted as arising:</p> <p>6. <u>TfN Update</u> Regarding the Board's request for more information regarding TfN's smart-ticketing ambitions, it was noted that John Henkel delivered a presentation to a recent TfN meeting and has offered to address the Board.</p>	

	<p>7. HS2 The Board discussed the latest developments with HS2 and the importance of maintaining dialogue with all appropriate national agencies in respect of better connectivity for the North (HS2 included).</p> <p>The Chair noted she has agreed to jointly author a letter from the Northern Core Cities Group highlighting the importance of this matter.</p> <p>Action: Cllr Dore to share the final letter when available.</p>	<p>JD</p>
<p>3</p>	<p><u>Declarations of Interest</u></p> <p>No declarations noted.</p>	
<p>4</p>	<p><u>Urgent Items / Announcements</u></p> <p>Julie H informed the Board that Network Rail were imminently due to publish their response to the Shaw Report which includes a proposal to create a 'Northern area' for Network Rail. It was suggested this would affect how we engage Network Rail.</p>	
<p>5</p>	<p><u>Strategic Tools</u></p> <p>A report was received requesting the Board's consideration of a recommendation to progress the scheme business cases to Full Approval and endorse the entering into Contracts for Strategic Testing Tools at a cost of up to £3m. It was noted this paper is also subject to consideration by the HEB and IEB and has already received HEB endorsement (5th October).</p> <p>The Board was advised the HEB Members requested that the propensity for the SCR local authorities to use the model to undertake local modelling activity, for marginal costs, be explored. It has also been suggested the strategic model may negate the need for district models to be developed or maintained.</p> <p>It was noted HEB members also asked that the final report to the CA include an additional commentary on the procurement process followed to help avoid any challenges on this issue. TEB Members agreed this should be included.</p> <p>Action: Julie to include reference to how the bids were attained via the Framework procurement process in the CA report</p> <p>The report noted that the Expression of Interest (EOI) for this project was approved by the Combined Authority at the meeting held 12th September 2016 along with approval for the project to progress directly to Full Business Case.</p> <p>Members were asked to acknowledge that testing tools are a</p>	<p>JH</p>

fundamental part of the assurance process which are required to test projects as part of Devolution and reminded the SCR has a good track record in this regard and our rigour has secured us £350m via Growth Deals and the Gainshare funding equating to £484m to 2021.

It was acknowledged that Value for Money is nationally under increasing scrutiny and our testing tools (FLUTE and Transport models) have to ensure we are able to thoroughly test the value of projects seeking funding contributions from SCR.

Members acknowledged that the data supporting our tools is now outside the required age range and needs a major refresh.

It was noted that since our models initial inception, the methods of securing data for the tools have progressed and this presents the SCR with an opportunity to improve data collection and ensure we can continue to maintain the data required to support the testing tools moving forward.

It was noted there are a number of pressing needs for the use of SCR testing tools, notably the early commissioning call (which includes housing schemes), the large major transport schemes and soon to be projects commissioned via the SCR Integrated Infrastructure Plan (IIP). It was further suggested that the opportunity costs of not progressing with these updates are far reaching as it will not be possible to continue to access capital funds, either through the Growth Deals or significant parts of the Gainshare.

The report noted that the procurement of the works has being undertaken in two parts; 1) AECOM are to be procured to update the strategic transport model (following a competitive tender process under the SCR Transport Modelling framework), and 2) the continued operation and update of the land-use model FLUTE by David Simmonds Consultancy is being progressed by waiver to Contract Standing Orders as sole supplier of this model.

The Board requested confirmation of whether there will be any additional ongoing maintenance costs to keep the data refreshed that don't feature within the outline £3m cost

Action: Julie H to ascertain and include in the report to the CA.

Consideration was given to whether there is any propensity is discussing the merits of pan-Northern models with other City Regions. It was suggested that issues to address would be granularity of the data and the extent to which other City Regions already have models in existence or in development.

RESOLVED, that the Board:

- 1. Endorses progression of SCR Strategic Testing Tools to Full Approval and Award of Contract at a cost of up to £3m, (subject to the conditions set out in the Project Approval Summary Table attached at Appendix 1 to the report). Noting**

JH

	<p style="text-align: center;">that endorsement of this recommendation is subject to consideration and approval by the SCR CA.</p>	
<p>6</p>	<p><u>Review of Progress Against Key Milestones in the TEB Business Plan</u></p> <p>A report was received to provide Members with a summary of progress made against the key milestones for each of the projects/ schemes detailed in the TEB Business Plan.</p> <p>It was noted that for the purpose of this report, a review of ‘where we should be now’ has been carried out, with each project / scheme assigned a ‘traffic light rating’ in line with the following criteria: Green - Activity on track in line with the key milestones set out in the Business Plan, Amber - Activity underway but not in line with key milestones set out in the Business Plan, Red - Activity not progressing at this time.</p> <p>It was noted in the report that for the 2017/18 financial year the SCR TEB will receive updates on progress against the milestones set out in the TEB Business Plan (as well any subsequent agreed priorities) four times a year. In terms of the level of detail, it was agreed that the progress updates alternate between full reports (similar to this report, with future reports each July and January) and exception reports (a short summary of key activity, with reports each April and October).</p> <p>Consideration was given to the areas of engagement rated ‘red’.</p> <p>It was noted that further information is awaited from TfN in respect of rejigged workstream lead responsibilities.</p> <p>Regarding plans for Strategic Trans Pennine Connections, it was suggested the SCR has appropriately fed into all TfN led discussions and confirmation on how TfN will progress the workstream is now awaited. It was therefore suggested this area of activity should be re-rated ‘amber’.</p> <p>Regarding High Speed Rail, it was suggested that the lack of certainty in respect of the government’s plans for the Eastern leg make it difficult for the local authorities to plan for greater connectivity. However, it was noted that a number of local studies are underway under the auspices of the HS2 Programme Board, in partnership with neighbouring regions, in respect of e.g. station development and connecting lines, the loop, conditional outputs and parkway options.</p> <p>The Board considered how the Programme Board, or the Combined Authority, might best lobby for the inclusion of a reference to the loop in the forthcoming HS2 Hybrid Bill and/or Autumn Statement</p> <p>The Chair indicated she would like to write to Chris Grayling MP (Secretary of State for Transport) to address the HS2 matters considered by the Board.</p> <p>Action: Cllr Dore to write to Chris Grayling MP on behalf of the</p>	

	<p>Board</p> <p>Martin referenced the successes other regions are having in terms of maintaining direct dialogue with the government and its agencies in respect of planning for HS2 and urged the SCR to develop similarly proactive relationships.</p> <p>It was acknowledged there is still a variance of opinion between the SCR Partners in respect of how it is intended the final ‘shape’ of HS2 will take (noting recent RMBC and DMBC council resolutions) and therefor a need to continue to work towards a consensus position.</p> <p>Action: Cllr Dore to raise the matters considered by the Board at the next CA Premeet meeting (24th October)</p> <p>Action: Craig to ask SCR Exec Team colleagues to make provision for the inclusion of a ‘HS2 update’ item on the agenda.</p> <p>The Board acknowledged the SCR’s ambitions for transport are somewhat in excess of the current resource capacity within the SCR Transport Hub team. It was noted that work is underway to address this situation. Alternately, it was suggested there might be an argument for the cessation some areas of activity.</p> <p>RESOLVED, that the Board:</p> <ol style="list-style-type: none"> 1. Note the progress made against the key milestones identified in the TEB Business Plan for 2016/17 2. Note priorities for the remainder of the financial year 3. Approve the proposed arrangements for future Business Plan progress reports to the TEB 	<p>JD</p> <p>JD</p> <p>CT</p>
7	<p><u>2016/17 Centrally Managed Transport Programmes – Q1 Delivery</u></p> <p>A report was presented to provide the Board with delivery details in respect of the three centrally managed transport programmes being delivered in 2016-17; LTP Integrated Transport Block (ITB), Sustainable Transport Exemplar Programme (STEP) and Sustainable Travel Transition Year (STTY).</p> <p>Members were advised that the total Integrated Transport Block allocation is considerably lower than in previous years. This has required Partners to undergo a further process of scheme prioritisation and this has been completed during quarter 1.</p> <p>Regarding the ITB allocation, it was reported that no spend against the programme had been reported by the end of the quarter however this was expected following the review process and there have been claims received during the early parts of quarter 2.</p> <p>It was also report that activity is underway to develop the programme</p>	

	<p>for future years. As this programme develops the draft allocations will be added into the appendix document attached to the quarterly update reports.</p> <p>Regarding the STEP allocation, it was noted the programme now falls under the governance requirements of the SCR single Assurance Framework. Officers completed all appropriate assurance documentation by the end of September target.</p> <p>Members noted concerns that the requirement to adhere to the single Assurance Framework has significantly restricted the Local Transport Partnership (LTP) (4 SY districts and SYPTE) to deliver projects as with only 5 months of the financial year remaining, no approval to spend any STEP funding has been given by the Appraisal Panel. It was noted Partners have to undertake work at risk or accelerate other transport programmes whilst decisions are awaited. It was also suggested there is a discord between the Assurance Framework's desire for economic evidence for investment and the extent to which this can be determined for small scale local interventions.</p> <p>It was noted that the SCR Executive Director has commissioned a working group, representative of the LTP Team, the SCR Exec Team and PTE, to look at this matter in detail and consider whether workable variances to the Assurance Framework might be implemented in the interests of maximising spend on appropriate projects.</p> <p>Members were advised that the submission for Sustainable Travel Transition Year (STTY) was successful and the SCR Combined Authority received the maximum possible award of £2.5m for 2016-17. Delivery of this programme commenced immediately upon award notification.</p> <p>Following on from STTY, it was noted that a bid for £7.5m has been submitted to its successor, the Sustainable Travel Access Fund (STAF) for the period 2017-20.</p> <p>RESOLVED, that the Board</p> <p>1. Note the latest position regarding centrally managed transport programmes</p>	
8	<p><u>Any Other Business</u></p> <p>i. <u>Julie Hurley</u> The Board acknowledged this would be Julie's last TEB meeting ahead of her leaving the SCR to take up a new role.</p> <p>Everyone thanked Julie for her dedication, commitment and support for the Board, especially given a backdrop of rapid change and significant challenges.</p>	

9	<u>Date of Next Meeting</u> 17 th November, 2.00pm at Sheffield Town Hall	
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TRANSPORT EXECUTIVE BOARD

17th NOVEMBER 2016

OUTCOME OF SCR INTEGRATED INFRASTRUCTURE PLAN LAUNCH AT MIPIM UK AND NEXT STEPS

Purpose of Report

This report provides an update on the launch of the Sheffield City Region Integrated Infrastructure Plan (SCR IIP) at MIPIM UK in October 2016. The IIP was welcomed by prospective investors and developers who found it to be an attractive proposition. Key questions were raised by delegates which provides an initial litmus test for the reception the IIP received when presented to an external audience. This feedback means that further work needs to be undertaken by the SCR Executive Team to support the next stage of the development of the IIP. This will be particularly important for international events such as MIPIM France in March 2017. Consideration needs to be given to issues such as the funding mechanism and commissioning framework / process to enable prospective investors to support the development of schemes as part of the IIP.

Thematic Priority

This paper relates to the following Strategic Economic Plan priorities:

- Attract investment from other parts of the UK and overseas, and improve our brand.
- Secure investment in infrastructure where it will do most to support growth.

Freedom of Information

This paper is not exempt and will be made available under the Combined Authority publication scheme.

Recommendations

The Transport Executive Board (TEB) is asked to note the feedback from prospective investors and developers following the 'soft' launch of the Integrated Infrastructure Plan at MIPIM UK.

The TEB is asked to discuss the approaches set out in 2.1 and recommend areas the IEB may want to consider.

The TEB is also asked to note the recommendation for the IEB to work with the SCR Executive Team and other partners to actively support and shape the detailed next stage of the IIP's development, including issues such as the funding mechanism and commissioning framework for the development of schemes as part of the IIP.

1. Introduction

1.1 This report provides an update on the launch of the Sheffield City Region Integrated Infrastructure Plan (SCR IIP) at MIPIM UK in October 2016. The IIP was welcomed by prospective investors and developers who found it to be an attractive proposition. Key questions were raised by delegates which help to provide an initial litmus test for the reception of the IIP to an external audience.

1.2 This feedback means that further work needs to be undertaken by the SCR Executive Team to support the next stage of the development of the IIP. This will be particularly important for international events such as MIPIM France in March 2017. For example, consideration needs to be given to issues such as the funding mechanism and commissioning framework/process to enable prospective investors to support the development of schemes as part of the IIP.

1.3 MIPIM UK: Key Messages and Feedback

The IIP was launched at MIPIM UK in October 2016. The Plan was well received by prospective investors and developers during conversations at the SCR stand. Prospective investors were particularly interested to hear of the £28bn investment requirement in order to realise the infrastructure vision for the SCR and to help the economy to realise its full potential. The narrative that the IIP was the first of its kind in the UK to be launched outside of London also helped to tell a compelling story of the aspiration and ambition of the SCR, and as an attractive place in which to invest and do business. The IIP was also helpful in that it assisted in packaging the key projects the SCR was pitching as part of an overarching portfolio. These projects included:

- Barnsley Town Centre
- European Championship Golf Course, Rossington Hall, Doncaster
- Doncaster Sheffield Airport
- Advanced Manufacturing Innovation District
- Olympic Legacy Park
- Peak Resort Development, Chesterfield

1.4 Feedback from delegates on the soft launch of the IIP helped to provide an initial litmus test for the reception the IIP received when presented to an external audience. For example, developers were interested in city centre investment opportunities in relation to property, retail and residential sectors which were to be anticipated.

As part of the IIP story we tell at MIPIM France, it is important to consider whether investors are interested in the IIP itself or in specific investable propositions. To an extent, the IIP highlights the interventions / projects which will deliver infrastructure to unlock investable schemes and it is those schemes which investors may be interested in.

1.5 However, on the IIP itself there were a number of prospective investors who were interested in learning more about the Plan, and, in particular, ways in which they could potentially get involved in supporting schemes to be brought forward for development. This raised interesting questions and issues for the next stage of the IIP.

2. Proposal and justification

2.1 Based on this feedback at MIPIM UK, it is proposed that the TEB discuss the following approaches and recommend suitable options for the IEB to consider to support the next stage of the IIP's development:

1. Develop a process / framework to facilitate relationships between scheme promoters and investors. Within this framework, explore how SCR can broaden its delivery / partnership models when commissioning future infrastructure schemes.
2. Identify the most investable opportunities so that investors / developers are clear on what is of strategic importance to the SCR. To note, the IIP can help create these opportunities but the SCR should be clear on where they are likely to emerge from.
3. Issue prospective IIP calls which:
 - deliver quick wins but also long term gains i.e. what are the quick wins?
 - deliver integrated packages of interventions
 - align with SEP and SCR IIP growth areas as well as LEP priority areas
 - address the challenges highlighted by the SCR IIP network analysis
4. Identify which recommendations should be further developed that do not currently sit under the commissioning framework such as the Low Carbon Energy Strategy, Housing Investment Fund and the need to work closely with utility providers to ensure that planned capacity sufficiently reflects SEP growth targets.
5. Develop an effective funding mechanism once a clear package of projects and programmes has been identified. The IIP identifies a broad range of funding options to be considered. See Annex 1.

2.2 The proposed options aim to address how the SCR can help develop links between scheme promoters and investors; support the broadening out of delivery models when commissioning future infrastructure schemes and determine what the commissioning plan will look like.

2.3 Recommendations

The Transport Executive Board (TEB) is asked to note the feedback from prospective investors and developers following the 'soft' launch of the Integrated Infrastructure Plan at MIPIM UK.

The TEB is asked to discuss the approaches set out in 2.1 and recommend areas the IEB may want to consider.

The TEB is asked to note the recommendation for the IEB to work with the SCR Executive Team and other partners to actively support and shape the detailed next stage of the IIP's development, including issues such as the funding mechanism and commissioning framework for the development of schemes as part of the IIP.

3. Consideration of alternative approaches

3.1 The proposal set out in the report has been developed in response to the questions raised from delegates attending MIPIM UK as well as from a need to develop the next stages of the IIP.

A report was presented on the proposed IIP commissioning approach at the IEB on 7 October. This report outlined a high-level framework on a tranche based approach, however this was considered to not be in keeping with arrangements introduced through the governance review.

The proposal set out in 2.1, however, provides some alternative options for the TEB to consider and recommend to the IEB to support the next stage of the IIP's development.

4. Implications

4.1 Financial

The funding to progress future infrastructure interventions is reliant on the SCR devolution deal and LGF monies.

4.2 Legal

None arising from this report.

4.3 Risk Management

Now that the IIP has been launched, there is a need to develop the next stages of the Plan and therefore the commissioning framework. There are also a number of recommendations in the IIP that do not sit under the commissioning framework such as the Housing Investment Fund and the Low Carbon Energy Strategy. The SCR Executive are looking closely at how to develop these proposals. The risk of not progressing this work and delivering the IIP could mean we lose momentum as well as impede future economic growth.

4.4 Equality, Diversity and Social Inclusion

None arising from this report.

5. Communications

5.1 The communications team will be informed of any actions arising from this report regarding MIPIM France. A MIPIM Steering Group is overseeing the development of the SCR pitch for MIPIM France in March 2017, and a comprehensive marketing and communications package will form part of this integrated approach.

6. Appendices/Annexes

6.1 Annex 1

Funding Options

A broad range of funding options are considered in the IIP that could support the delivery of infrastructure across SCR. They were worked up with SCR finance and economic development experts to be refined down to a shortlist of options:

	Lower Quantum	Medium Quantum	Higher Quantum
Higher Volatility	<ul style="list-style-type: none"> ■ Third party contributions ■ Section 106 	<ul style="list-style-type: none"> ■ Community Infrastructure Levy ■ Crowd funding ■ Tax Incremental Financing ■ Revenue Generating Assets (trading) 	<ul style="list-style-type: none"> ■ User fee / toll collection ■ Payment by results ■ Repatriation of other national taxes
Medium Volatility	<ul style="list-style-type: none"> ■ EU grants ■ Central Government LEP funding ■ Central Government grants 	<ul style="list-style-type: none"> ■ Revenue generating assets (charging) ■ Workplace parking levy 	<ul style="list-style-type: none"> ■ Business rate supplement ■ Council tax precept ■ Special purpose local taxes
Lower Volatility	<ul style="list-style-type: none"> ■ Surplus asset sales 	<ul style="list-style-type: none"> ■ Council tax ■ Business rates 	

■ Core mechanism currently utilised by SCR LAs
■ Incremental: Limited local impact
■ Incremental: local impact

Figure 21: Funding Sources Matrix

The matrix above summarises the different funding sources categorised based on a qualitative judgement of the:

- Volatility of the funding source in terms of reliance when investing in new infrastructure projects (factors such as known baseline versus uncertain forecasts, within SCR / member district control or third party negotiations, cost to implement, etc.); and
- Quantum in terms of level of funding required to deliver infrastructure projects.

Many of the items set out are general tax raising measures and the proceeds can be directed to where local authorities deem most appropriate. These measures are only limited by the conditions set out in the statutory instruments bringing them into force, however, some would require new national legislation or a local voluntary agreement e.g. hotel / tourist tax.

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Background papers used in the preparation of this report are available for inspection at:
<http://sheffieldcityregion.org.uk/scr-integrated-infrastructure-plan/>

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TRANSPORT EXECUTIVE BOARD

17 NOVEMBER 2016

EAST MIDLANDS RAIL FRANCHISE AND MIDLAND MAINLINE UPDATE

Purpose

This report provides an update to TEB on East Midlands Franchise and Midland Mainline issues for information.

1. Issue

- 1.1 There are a number of issues concerning the Midland Mainline and the re-tendering of the East Midlands rail franchise that it was considered necessary to update the TEB on.
- 1.2 The Midland Mainline is the key rail link between the western part of the City Region, including Sheffield, and London via the East Midlands. It is therefore vital for the City Region's economy and connectivity.
- 1.3 A number of upgrades to the line are planned to improve journey times and quality, including electrification, but there has been some concern recently that some of these upgrades may be further delayed.
- 1.4 It is important that the SCR actively engages with the Department for Transport and Network Rail, as well as the franchise operator, to ensure the necessary improvements to this key rail line are implemented in a timely fashion.

2. Recommendations

The TEB is recommended to:

- 2.1 Agree that the SCR Executive Team continue to engage with the relevant bodies to promote improvements to the Midland Mainline.
- 2.2 Agree to receive a further report on the SCR response to the East Midlands Franchise consultation in the new year.

- 2.3 Note the indicative commitment of SCR to contribute £5m to the Market Harborough line speed improvement scheme and the further work being undertaken to present the scheme for future decision making by the SCR CA/LEP.

3. Background Information

- 3.1 A report was prepared for the TEB meeting on 25th August 2016 concerning the East Midlands rail re-tendering, which set out the background to the franchise and SCR's aspirations for the new franchise. The list of aspirations, which was included as an appendix to that report, was intended to form the basis of the SCR's response to the franchise consultation as well as any discussions with potential bidders.
- 3.2 A 12-week consultation on the new franchise specification is expected to be launched by the Department for Transport (DfT) in December. Once this consultation is launched, the SCR Executive Team will draft a response, which will be shared with members of TEB and the CA. Subject to timings, the final draft response will be brought to TEB for approval.
- 3.3 SCR was approached by two potential bidders for the new franchise over the summer for meetings to discuss our aspirations. SCR rail officers, along with rail officers from SYPTE, consequently met with representatives of the current franchise operator Stagecoach (East Midlands Trains), and Arriva Rail UK (operator of Northern and Cross Country franchises).
- 3.4 Separately from the refranchising, but closely related to it, a number of upgrades are being planned for the Midland Mainline (MML) by Network Rail. The principal upgrade being planned is the electrification of the line north of Bedford. This major project was approved in 2013, and will be implemented in two phases. The first phase will electrify the line from Bedford (where the current electrified Thameslink line terminates) to Kettering and Corby. Phase 1 is scheduled to be completed by 2019 and will enable electric trains to operate to Corby.
- 3.5 Phase 2 will see the line electrified from Kettering to Sheffield via Derby, and to Nottingham. Phase 2 was originally intended to be completed by 2020, but following the Hendy Review of Network Rail's investment programme in 2015, the expected completion date was extended to 2023. Towards the end of October 2016, reports emerged that phase 2 was being further delayed, or even potentially shelved. Consequently, SCR wrote a letter to the Secretary of State for Transport expressing our concerns that this important project might be in jeopardy. A copy of this letter is attached as Appendix A. The SCR Executive Team have also contacted SCR MPs about the issue.
- 3.6 East Midlands Councils has also written to the Secretary of State on this issue and has raised its profile with their MPs. Consequently, Nicky Morgan MP secured an adjournment debate on MML electrification in Parliament on the 7th November to seek assurances from the Rail Minister about the project.
- 3.7 Towards the end of 2015, SCR commissioned a report from consultants AECOM on the benefits of MML electrification. A summary of this report is attached as Appendix B. This followed a report on the case for upgrading and electrifying the MML, jointly commissioned by SCR and SYPTE in 2011 from ARUP consultants. Network Rail have also recently published a report on MML electrification.

- 3.8 Key benefits of MML electrification include:
- Up to 24% lower operating costs (£30m per annum)
 - A 41-61% improvement in rolling stock reliability
 - Improved journey times, generating £1m wider economic benefits per annum
 - Up to 55% reduction in CO2 emissions
 - Quieter and less polluting trains, with cleaner air at stations and urban areas en-route
 - Improved accessibility, and smoother journeys, on the new rolling stock
 - Up to 28,500 additional seats available on other routes due to cascaded rolling stock
 - £450m wider economic benefits over a 60-year period with the full package of upgrades.
- 3.9 As part of the electrification programme, a fleet of new bi-modal electric-diesel inter-city trains needs to be ordered. The first batch of these new trains will need to be ready for the completion of the first phase of electrification in 2019, as well as the expiry of the 40-year old HST trains in 2020. Therefore, a decision is expected imminently by the Department for Transport on the rolling stock order, notwithstanding the programming of the electrification project. In anticipation of an imminent decision on the rolling stock order, SCR wrote to the Franchise Bid Director at the DfT in mid-October setting out our aspirations for the new trains. A copy of this letter is attached as Appendix C. Sheffield Chamber of Commerce and East Midlands Councils also wrote similar letters. These letters emphasised the need to ensure the new rolling stock is fit for purpose and able to take full advantage of the electrification in terms of faster journey times and acceleration.
- 3.10 As part of the electrification programme, a number of line speed upgrades are planned to support faster journey times. These include a scheme at Market Harborough in Leicestershire to straighten out a curve near the station to allow faster speeds for through trains. This scheme will shave around 30 seconds off the journey time between London and Sheffield. It is one of a number of schemes that will contribute towards reducing the minimum journey time between London and Sheffield to 1 hour 50 minutes from the current 2 hours 1 minute minimum. As a result of the benefits to the City Region of the scheme at Market Harborough, SCR was asked by Network Rail and Leicestershire Local Enterprise Partnership (LLEP) to make a £5m contribution towards the scheme from its Growth Deal 2 funds. SCR has so far made an indicative commitment to this funding, subject to assurances about the wider benefits of the scheme and others on the line. SCR has made clear that its commitment of this funding is contingent on the phase 2 MML electrification, which will allow the full benefits of the scheme to be realised. Clarity is being sought from Network Rail and LLEP on the benefits, timescale and assurance for this scheme before the SCR CA are asked to approve the funding for the scheme.
- 3.11 SCR rail officers have continued to engage with the current franchise operator, East Midlands Trains, to seek shorter term improvements to rail services and stations within the East Midlands franchise. In addition to the MML, this franchise includes the regional service between Liverpool and Nottingham / Norwich, and local services to Matlock, Worksop and Lincoln. Officers have attended EMT stakeholder events and the recent launch of the EMT rail prospectus at the East Midlands Rail Forum event in Derby. Officers have also met with the EMT Stakeholder Manager and Sheffield Station Manager to discuss station issues and see recent improvements, and attended a recent Sheffield Transport for All meeting to discuss accessibility aspirations for the new EM franchise.

4. Implications

i. Financial

Subject to discussions on-going with Network Rail, electrification of the line and the line straightening scheme, SCR will be asked to contribute £5m to a £53m line speed improvement scheme at Market Harborough. This investment would be the first time 3 LEP areas collaborated in a programme, with LLEP taking the lead on assurance and due diligence work with DfT. A financial approvals paper would come to the TEB for endorsement and CA for a decision and approval to fund.

ii. Legal

As with the financial implications, SCR endorsement to commit £5m to the line speed improvement scheme, would be subject to assurance under LLEP Assurance Framework. If approved, SCR CA will enter into a funding agreement with LLEP Accountable Body, for the scheme on behalf of the three contributing areas. The CA Legal Officer will lead negotiations and funding agreement work.

iii. Diversity

There are no diversity implications of this report.

iv. Equality

There are no equality implications of this report.

**REPORT AUTHOR
POST**

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	Strategic Rail Officer
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Appendices

- Appendix A – Copy of letter to Secretary of State for Transport on electrification.
- Appendix B – Summary of AECOM report on benefits of electrification for SCR.
- Appendix C – copy of letter to Franchise Bid Director on MML rolling stock order.

Sheffield City Region Executive
11 Broad Street West
Sheffield
S1 2BQ

31st October 2016

TO: Rt. Hon Chris Grayling MP; Secretary of State for Transport
CC: Chancellor of the Exchequer
Secretary of State for Business, Energy and Industrial Strategy
Local MPs

Sent by email only

Dear Mr Grayling,

Electrification of the Midland Mainline

We are writing on behalf of Sheffield City Region Combined Authority and Local Enterprise Partnership in response to concerns that the planned electrification of the Midland Mainline to Sheffield may be further delayed. As you will be aware, this important project has already been delayed. It was initially committed in 2013 with an expected completion date of 2020. However, following a 'pause' for the Hendy review in 2015, the project was recommenced with an expected completion date of 2023 for phase 2 from Kettering to Sheffield. We would like to stress the importance of maintaining and indeed accelerating this timetable in order that the full benefits of electrification are brought to the Sheffield City Region (SCR) at the earliest possible opportunity.

SCR published a report in February 2016 setting out the benefits of electrification for the region, and a copy is attached for your information. The benefits of an electrified Midland Mainline include:

- Up to 24% **lower operating costs** (£30m per annum)
- A 41-61% **improvement in rolling stock reliability**
- **Improved journey times**, generating £1m wider economic benefits per annum
- Up to 55% **reduction in CO₂ emissions**
- **Quieter and less polluting trains**, with cleaner air at stations and urban areas en-route
- **Improved accessibility, and smoother journeys**, on the new rolling stock
- Up to 28,500 **additional seats available on other routes** due to cascaded rolling stock
- £450m **wider economic benefits** over a 60-year period with the full package of upgrades.

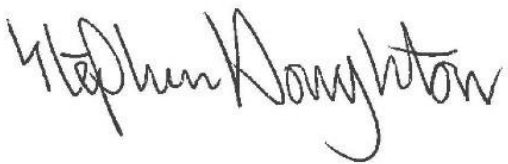
SCR has ambitions for the fastest journey time between Sheffield and London to be reduced to 1hr 50 mins, an improvement of 11 minutes on the current time which modern electric rolling stock, with its faster acceleration and speeds, could deliver. With the full package of line upgrades it has been estimated that the journey time could be reduced by 13-14 minutes.

The Midland Mainline remains the UK's only north-south mainline that is not electrified, serving the major cities of Leicester, Derby, Nottingham and Sheffield. The Government and Network Rail have previously given a strong commitment to electrification of this line and a change of course now would undermine the credibility of the Government's support for the Northern Powerhouse and investment in the country's infrastructure to support economic growth. A further pause or cancellation of the electrification project at this stage would damage business and investor confidence in both the Midlands Engine and Northern Powerhouse at a time when it is critical to boost investment in the UK economy. Infrastructure investment is a vital element of the Government's emerging industrial strategy.

SCR is working closely with East Midlands Councils and LEPs to promote the upgrade and electrification of the Midland Mainline. Indeed, in a joint initiative with D2N2 and LELEP, SCR has given an indicative commitment to contribute £5m in Growth Deal 2 funding for a scheme to improve line speeds at Market Harborough, which is based on the premise of an electrified line. Electrification is a key part of our Strategic Growth Plan and the Integrated Infrastructure Plan that was launched this week, and will support skill development and the wider rail supply chain within the region.

We look forward to a positive announcement on this project in the forthcoming autumn statement.

Yours sincerely,



Sir Steve Houghton on behalf of SCR CA



Sir Nigel Knowles on behalf of SCR LEP

Background

Sheffield City Region (SCR) commissioned AECOM to prepare an updated evidence base supporting the electrification of the Midland Main Line (MML) between London, the East Midlands and the SCR. The MML electrification scheme was initially committed in 2013, with completion expected in 2020. In June 2015, following a ‘pause’ and review by Sir Peter Hendy in response to concerns about delivery timescales and rising costs, the Department for Transport restarted work to progress this strategically important scheme, albeit with an extended timescale for completion of 2023.

The SCR has produced the *Reinforcing the Case for Investment* advocacy document to publicise the benefits of electrification and ensure completion timescales do not slip further, highlighting the role of electrification in providing much needed additional capacity. It also summarises the supplementary environmental, economic, accessibility, financial, and reliability benefits that could be delivered, including the opportunities for cascading existing diesel trains to other rail routes.

Conclusions

The absence of 125mph diesel rolling stock to boost capacity on the MML means the current overcrowding affecting this route will worsen. It is acknowledged that the electrification of the MML and the procurement of electric rolling stock will come at considerable capital expense. Without it however, expensive modifications to the HST fleet would be required and this would not address the overcrowding, requiring compatible new diesel rolling stock to be procured. Electrification is therefore the only feasible long term solution which will deliver the required number of seats for long distance passengers travelling between the SCR, East Midlands, and London St Pancras.

The benefits of electrification table below summarises why electrification of the MML between SCR, East Midlands and London is required and demonstrates the supplementary benefits derived from a new electric fleet over enhanced or continued use of the diesel fleet.

Benefits of Electric Traction

	Extra capacity required	
	New Electric traction?	Existing Diesel traction?
Impacts	Crowding relief with more carriages and more seats available between London, East Midlands, and SCR	Continued overcrowding as there is no suitable 125mph rolling stock available in the short term
Primary benefits	CO2 emissions reduction of up to 55% from new electric vehicles, improving air quality along the MML corridor	None
	Wider economic benefits of £1 million per annum from journey time reductions. Enhanced connectivity along the whole MML	
	Accessibility improvements with new DDA compliant electric trains, avoiding expensive modifications to the HST fleet	
	Operating cost reduction of 24% through reductions in fuel, maintenance, lease and variable track access costs	
	Reliability improvements of 41% to 61% with electric vehicles improving service quality and timetable resilience	
	Potential cascade of rolling stock to cross country and regional services, delivering up to 28,500 extra seats to / from SCR each day	

The Sheffield City Region
11 Broad Street West
Sheffield
S1 2BQ

12th October 2016

Andrew McDonald
Franchise Bid Director
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1 4DR

Dear Mr McDonald

Midland Mainline Train Fleet

Sheffield City Region Executive Team has been made aware that a decision is due to be made by the Department for Transport this week regarding the specification for the new trains for the Midland Main Line post-electrification. We have endorsed the letter sent by Sheffield Chamber of Commerce on this subject, but would like to also briefly set our own views on this issue.

Firstly, it is vital that the specification for the new trains, in terms of their design and capacity / quantity, is made in conjunction with the specification for the new East Midlands (EM) franchise. We understand that a consultation on the franchise specification will be launched shortly. If it would not adversely impact on the timetable for the delivery of the new trains, we would suggest that it may be appropriate to wait until the consultation has ended and the final franchise specification is agreed before ordering the trains. This would also allow for comments on the new train specification to be made during the consultation, and for the train order to be aligned with the new franchise specification. However, it is also important that the new rolling stock is delivered in time to enter service as soon as the first phase electrification is completed in 2020. This is also when the existing 40-year old HSTs will reach the end of their life and need replacing to avoid expensive upgrades.

We understand that new inter-city style bi-modal (diesel-electric) trains will be specified for this route, together with additional new trains for a number of regional routes in the EM franchise.

Bi-modal trains are essential to provide the flexibility for them to use non-electrified routes, or to operate on electrified routes when there is a problem with the overhead lines.

It is crucial that the new trains are capable of taking full advantage of the electrification in terms of delivering faster journey times and are therefore capable of faster acceleration than the existing high-performing Meridian diesel trains. SCR's ambition is for a fastest journey time between London and Sheffield of 1 hour 50 minutes post-electrification.

In addition to providing faster journey times, it is important that the new trains provide sufficient capacity and a high quality passenger experience. The configuration of the train sets should provide the flexibility to increase capacity at busy times, such as joining together two five-car sets. However, it is not ideal splitting inter-city trains en-route as this would impact on journey times and resource requirements, as well as passenger convenience.

In terms of the detailed train interior specification, we would expect sufficient standard class capacity to meet demand in relation to first class; sufficient luggage and cycle space; sufficient and high quality toilet facilities; good accessibility and space for disabled passengers; good quality catering facilities; free wi-fi and phone / laptop charging throughout; comfortable seating and adequate heating / air conditioning; on-board real time information screens and a high quality public address system.

Finally, it is essential that sufficient train sets are ordered to accommodate the proposed six inter-city trains per hour on the Midland Main Line (Sheffield and Nottingham services) to / from London St. Pancras from 2019, together with any other new regional services that will use the MML and to allow for contingency.

We would expect the order to be placed with a UK based rail manufacturer so that the contract brings the maximum benefit to the UK economy and supports SCR's ambitions for economic growth in the region.

We look forward to working closely with the DfT on developing and delivering the East Midlands franchise and rolling stock specifications going forward.

Yours sincerely,



Dave Smith

Interim Managing Director

The Sheffield City Region

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TRANSPORT EXECUTIVE BOARD

17th November 2016

HS2 Programme Board Terms of Reference

Purpose

The Board is asked to approve the revised Terms of Reference for the SCR HS2 Programme Board attached as Appendix A, setting out the role and work programme of the group going forward.

1. Issue – HS2 Programme Board Terms of Reference

- 1.1 This report sets out draft revised Terms of Reference for the Sheffield City Region (SCR) High Speed 2 (HS2) Programme Board and seeks the endorsement of these by TEB.
- 1.2 The revised Terms of Reference will define the purpose and work programme of the HS2 Programme Board going forward at this critical time for the HS2 project in the City Region.

2. Recommendations

- 2.1 The Transport Executive Board is recommended to agree the revised Terms of Reference for the HS2 Programme Board as set out in Appendix A.

3. Background Information

- 3.1 The SCR HS2 Programme Board was established in 2014 to oversee the development of the Government's HS2 high speed rail project and seek to secure the best outcome for the City Region.
- 3.2 The HS2 Programme Board consists of Chief Executives or Senior Officers with responsibility for Transport from each of the SCR constituent authorities, together with representatives from HS2 Ltd and other rail bodies as appropriate. Its remit is to direct SCR policy on HS2 and make recommendations and decisions on the scheme, in order to secure the best possible outcome for the City Region as a whole.
- 3.3 With the recent publication of the South Yorkshire options report by Sir David Higgins providing some clarity on the proposed SCR station location, and with a decision on this expected imminently by the Government, it was considered necessary to refresh the Terms of Reference for the Board. These revised Terms of Reference will ensure that the

HS2 Programme Board provides strong leadership and direction for the region on the development of the HS2 eastern leg and SCR stations and services.

- 3.4 The revised Terms of Reference set out the purpose and governance structure of the Board, and the relationship with task and finish groups to be set up to take forward specific tasks. They also set out the desired outcomes, roles and responsibilities and work programme for the SCR's work on HS2. Finally, they set out the frequency of meetings, methods of communication, principles of the group and suggested membership.
- 3.5 A final decision on the route and station locations for the HS2 eastern leg is expected to be made by the Government by the end of the year. It is therefore essential that SCR continues to be proactive in seeking the best possible outcome for the City Region from this decision, while mitigating any adverse impacts on residents, businesses and the environment.

4. Implications

i. Financial

There are no direct financial implications arising from this report.

ii. Legal

There are no direct legal implications arising from this report.

iii. Diversity

There are no direct diversity implications arising from this report.

iv. Equality

There are no direct equality implications arising from this report.

**REPORT AUTHOR
POST**

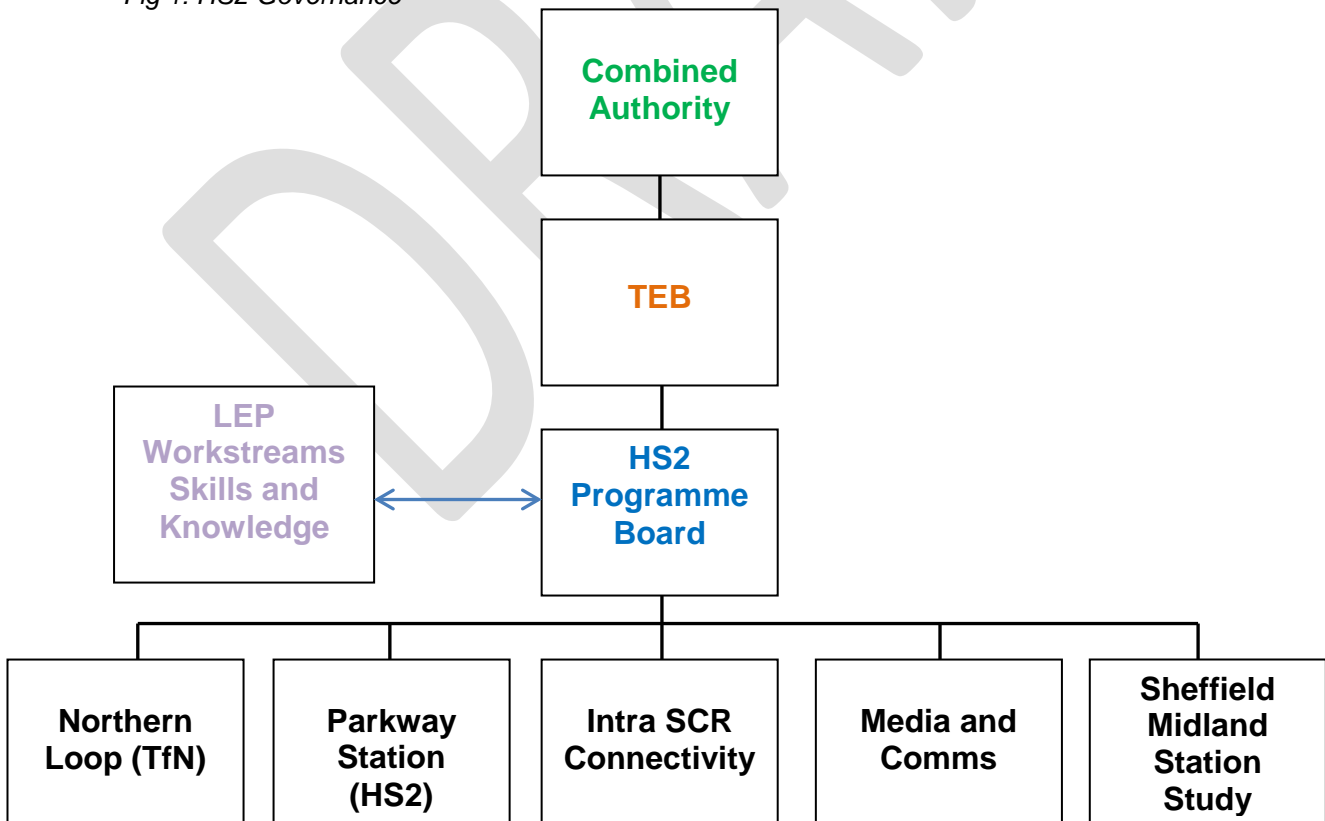
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Organisation	Mark Lynam
Email	Interim Director of THIP
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	Mark.lynam@sheffieldcityregion.org.uk
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HS2 Programme Board - Terms of Reference (November 2016)

1. Purpose of Group

- 1.1. The primary purpose of the HS2 Programme Board is to provide senior officer input to define the work programme and outputs required to deliver work streams associated with HS2. The Programme Board will provide senior direction, policy advice and recommendations for technical studies that are needed to support further development of HS2 in the Sheffield City Region (SCR) in order to influence HS2 Ltd and Government decisions and the forthcoming Hybrid Bill.
- 1.2. The Programme Board will be supported as appropriate by a number of work packages and Task and Finish Groups, undertaking technical studies to enable the Programme Board to agree recommendations that can be presented to the SCR Combined Authority, Transport Executive Board, Chief Executives and LEP Board.
- 1.3. Each SCR Task and Finish group will have their own Terms of Reference. Other work streams led by external partners will have their own governance arrangements.
- 1.4. In July 2016, Sir David Higgins produced his report on the HS2 route and station location within the SCR, which recommended changes to the previous preferred route. In order for the SCR to positively respond to Sir David Higgins’ report, it is proposed that the SCR HS2 Programme Board refocuses its activity to achieve the best outcome for the City Region.

Fig 1: HS2 Governance



2. Desired Outcomes

2.1 The desired outcomes of the HS2 Programme Board are to:

- Ensure the best possible outcome for the City Region from HS2 in terms of station locations and stops, journey times and destinations, service levels, rolling stock and capacity, connectivity and interface with other services including Northern Powerhouse Rail;
- Maximise the economic benefits of HS2 investment within the City Region in terms of employment growth and inward investment, agglomeration benefits of improved connectivity to other City Regions including London, and master planning to co-ordinate development around stations.
- Minimise any adverse impacts of the HS2 project on residents, businesses and the environment of the City Region and ensure appropriate mitigation and compensation where necessary.

3. Roles and Responsibilities

3.1 To achieve this, the HS2 Programme Board will:

- Give senior direction to all HS2 project related activities;
- Shape the projects through a collaborative approach both within the SCR and with external partners and agencies;
- Prepare and report updates and detailed propositions for consideration by the SCR Combined Authority, Transport Executive Board, Chief Executives, LEP Board;
- Be responsible for communication to stakeholder groups within the city region and confirm positions when required;
- Consider outputs and provide oversight of the technical work;
- Provide advice and support when making the case for future funding streams;
- Assist in providing appropriate resource at prominent times within the programme;
- Own and manage the project risks on behalf of project partners;
- Set direction for the work streams/Task and Finish groups.

4. Work Programme

4.1 The HS2 Programme Board will focus on the following areas:

- Receiving updates from HS2 Ltd/DfT and Network Rail that relates to HS2 within the SCR;
- Receive updates from SCR on local issues that relate to HS2, including growth fund finance and the ability to commission support work in line with the remit set;
- Provide proactive input into the Northern Loop work to be undertaken by Transport for the North to ensure that HS2 connectivity for the SCR is achieved northwards as well as south. To ensure that synergies with Northern Powerhouse Rail are achieved and that the Northern Loop is included within the HS2 Hybrid Bill process;
- Work closely with HS2 Ltd on the feasibility of a Parkway station on the revised route of HS2 as detailed in Sir David Higgins' report;

- Develop improved connectivity from across the SCR into Sheffield Midland station and the proposed Parkway station;
- Provide input into the work on Sheffield Midland Station master planning;
- Commission an independent review of the potential for reducing the impact of the proposed eastern route alignment on residential and business properties within Doncaster and Rotherham boroughs;
- Identify new areas of work as appropriate following announcements or governance changes, for example linkages to HS3 and the development of a wider SCR rail strategy.

5. Frequency of Meetings

- 5.1 The Programme Board will meet monthly throughout the life cycle of the HS2 project;
- 5.2 Each work stream and Task & Finish group will create their own appropriate meeting cycles in line with the studies and projects they undertake;
- 5.3 Existing meeting structures will be utilised wherever possible;
- 5.4 The HS2 Programme Board is supported by *(to be determined)*

6. Methods of Communication

- 6.1 Communication on a formal basis will be at the monthly HS2 Programme Board meetings.
- 6.2 Email groups will be set up for Programme Board members and separate project groups.
- 6.3 Each organisation represented on the Board, will comply with their own reporting requirements as required by their own governance processes.

7. Programme Board Principles

- 7.1 Programme Board members will:
 - Provide a steer on studies and projects, informed by recommendations from the project working groups;
 - Provide direction for all task and finish groups;
 - Provide senior sign off before submissions to the SCR Combined Authority, Transport Executive Board, Chief Executives, and LEP.
- 7.2 Task & Finish Groups will:
 - Provide expertise, undertake technical studies as appropriate, and guide the process for each study;
 - Liaise effectively with stakeholders and each other;
 - Provide communications and recommendations back to the HS2 Programme Board.

8. Membership

8.1 Suggested HS2 Programme Board membership is as follows:

HS2 Programme Board	
Neil Taylor (Chair)	Bassetlaw District Council
<i>TBC</i>	Sheffield City Region Executive Team (Secretariat)
<i>TBC</i>	Sheffield City Region Executive Team
Philip Cooper	Sheffield City Region Executive Team
Matt Gladstone	Barnsley Metropolitan Borough Council
<i>TBC</i>	Chesterfield District Council
Steve Cannon	Derbyshire County Council
Peter Dale	Doncaster Metropolitan Borough Council
Damien Wilson	Rotherham Metropolitan Borough Council
Simon Green	Sheffield City Council
Stephen McFarlane	HS2 Ltd
Rob Fairy	Network Rail
Stephen Clark	Department for Transport
<i>TBC</i>	Transport for the North