

Mayoral Combined Authority Board

25 July 2022

Programme Approvals

Is the paper exempt from the press and public?	No
Reason why exempt:	Not applicable
Purpose of this report:	Funding Decision
Is this a Key Decision?	Yes
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:

Gareth Sutton, Chief Finance Officer/s73 Officer

Report Author(s):

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Executive Summary

This paper requests progression of three capital funded schemes subject to conditions to be set out in the Assurance Summaries and approval for the allocation for the Adult Education Budget (AEB) for the 2022/23 academic year.

What does this mean for businesses, people and places in South Yorkshire?

This report is seeking approval to progress business cases and enter into contract for a number of investment proposals which will support the MCA's aspirations

Recommendations

The Board consider and approve –

1. Progression of 'Zero Emission Bus Regional Areas (ZEBRA)' Full Business Case (FBC) to full approval and award of £2.68m grant to South Yorkshire Mayoral Combined Authority (SYMCA) subject to conditions detailed in the Assurance Summary attached at Appendix A1;
2. Progression of 'Tram Train Magna Stop including Park & Ride' FBC to full approval and award of £6.54m to South Yorkshire Mayoral Combined Authority (SYMCA) subject to conditions detailed the Assurance Summary attached at Appendix A2;
3. Progression of 'South West Bus Corridors' Outline Business Case to FBC and release of development cost funding of £0.38m grant to Sheffield City Council (SCC) subject to conditions set out in the Assurance Summary attached at Appendix A3;

4. Allocation of AEB detailed in section 1.5
5. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above subject to funding being available.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Assurance Panel	06 June 2022
Assurance Panel	21 June 2022
Education Skills and Employability Board	20 July 2022
Transport and the Environment Board	30 June 2022

1. Background

- 1.1 This report seeks approval for the progression of 3 capital transport schemes funded from multiple funding streams. Progression of 1 scheme is funded from the City Region Sustainable Transport Settlement (CRSTS). The Department for Transport (DfT) approval of the specific list of projects for the CRSTS programme is pending and on that basis this request is made as an approval, subject to the necessary programme approvals from DfT. This report also seeks approval for the 2022/23 Adult Education Budget

The paper also requests delegated authority to enter into legal agreements for the named schemes.

1.2 Zero Emission Bus Regional Areas (ZEBRA)

This investment is for £2.68m from City Region Sustainable Transport Settlement (CRSTS) to South Yorkshire Mayoral Combined Authority (SYMCA) towards total project costs of £15.59m. The Department for Transport (DfT) approval of the specific list of projects for the CRSTS programme is pending and on that basis this request is made as an approval, subject to the necessary programme approvals from DfT.

The project will roll out Zero Emission Buses across the region.

The Benefits and Outcomes:

The project will deliver the following outputs

- 20 single decker electric buses are proposed for the 221 and 22x commercial bus services (with an additional 3 buses used as contingency)
- 3 single decker electric city centre shuttle buses across Sheffield (with an additional 1 shuttle bus used as contingency)

The project will also contribute to the following outcomes

- Reduced emissions in urban centres
- Improved public transport accessibility to key sites
- Improved journey times and reliability of buses
- Increased patronage

The project contributes to all 3 objectives of the SEP and is compliant with the target date for a zero-emission bus fleet of 2040 in the Transport Strategy/Local Transport Plan 2018.

The Assurance Summary notes some conditions of approval that will need to be resolved prior to contract execution, these are detailed in full within Appendix A1.

1.3 **Tram Train Magna Stop including Park & Ride**

This investment is for £6.54m from Transforming Cities Fund (TCF2) to South Yorkshire Mayoral Combined Authority (SYMCA) towards total project costs of £7.22m.

The scheme will introduce a new stop along the Tram Train route at Magna along with the creation of a new Park & Ride site, serving both Sheffield and Rotherham, utilising existing under used car parking spaces at the Science & Adventure Park.

The Benefits and Outcomes –

The project will deliver the following outputs

- 2 new staggered platforms
- Fully accessible footbridge with lifts and stairs
- Passenger Information
- Passenger Shelters
- Platform Lighting
- Security/CCTV
- P&R car park improvements (150 spaces)
- Safe and secure active travel/pedestrian link to/from the new tram train stop
- Cycle Storage

The project will also contribute to the following outcomes

- Increased Tram Train and public transport patronage
- Higher levels of passenger satisfaction
- Increased walking and cycling journeys
- Increased park and ride usage
- Modal shift

The project contributes to all 3 objectives of the SEP and is aligned with the Carbon Net Zero target.

The Assurance Summary notes some conditions of approval that will need to be resolved prior to contract execution, these are detailed in full within Appendix A2.

1.4 **South-West Bus Corridors (Public Transport) - OBC**

This request is for £3.81m from TCF2, with development costs to be released of £0.38m to SCC. FBC Development cost funding capped at 10% of scheme value. Total OBC and FBC development costs are £1.026m (including £0.2m prepayment for stats). Development costs in excess of MCA funding awarded to be covered by alternative funding sources.

The project will deliver improved public transport connectivity within the Abbeydale Road and Ecclesall Road corridors in South-West Sheffield both to and from the city centre.

The project will feature improvements to bus detection which will give buses priority at junctions to beat congestion, and red routes to allow enhanced enforcement of illegal parking along with infrastructure improvements at junctions and bus stops

which will deliver increased accessibility to the city centre as well as to local centres and other destinations along the route from large residential areas including Millhouses, Brincliffe and Parkhead.

The Benefits and Outcomes

The project will deliver the following outputs -

- Changes to the length of bus lanes along Abbeydale Road and Ecclesall Road, parking restrictions and crossings
- Traffic signal upgrades with buses given priority at junctions
- Infrastructure improvements at junctions and bus stops

The project will also contribute to the following outcomes –

- More consistent and reliable bus journey times
- A better-quality environment for waiting passengers and pedestrians
- Improved perception of bus reliability, punctuality, and satisfaction
- Enhanced access to employment and other services

The project has a clear strategic rationale and risks are considered manageable at this stage. The Assurance Summary notes a condition of approval that will need to be resolved within the submitted FBC, this is detailed in full within Appendix A3.

1.5 Adult Education Budget

For the 2022/23 funding year the MCA will receive £40,103,822 of AEB funding. This funding value has increased from 2021/22 to reflect funding for continuing learners retained by DfE in the first year of devolution. SYMCA will also receive an allocation of £3,331,356 for Free Courses for Jobs funding for funding in 2022/23. The total funding available for commissioning is £43,435,178.

Grant Allocations 2022/23 – FE Colleges and Local Authorities

The proposal is that FE Colleges receive the:

- same “core” allocation as received in 2021/22
- opportunity to provide growth cases for 2022/23 this funding will not be consolidated into future allocations
- allocating funds received from DfE to support continuing learners, these will be consolidated into the future allocations of the relevant providers actual 22/23 data. This amount will be consolidated into 23/24 allocations.
- SYMCA continues to work with Northern College to agree it's allocation for 22/23

Procured Provision 2022/23

The paper is seeking approval to undertake an AEB Framework procurement exercise in the autumn. The current assessment is that the likely funding will be approx. £6m this includes under-delivery of call-off contracts for 21/22 and a reduction/removal of contract values from some providers in 2022/23.

Free Courses for Jobs (Level 3 24+)

There is a potentially important contribution to be made at Level 3 to providing a more robust technically qualified workforce which responds to concerns set out in the Local Skills Improvement Plan. The paper is seeking authority to run a procurement exercise to boost specific skills provision in areas where we lack Level 3 skills. The maximum procurement budget to be circa £3m.

2. Options Considered and Recommended Proposal

2.1 Option 1

Approve all recommendations.

2.2 Option 1 Risks and Mitigations

Inability to approve the projects presented or release development costs may result in a slower pace of delivery and loss of activity/spend to the programmes.

2.3 Option 2

Reject some, or all, of the recommendations.

2.4 Option 2 Risks and Mitigations

Rejection of some, or all, of the recommendations in this report would mean the region foregoing the forecast benefits arising from the investment and potentially also mean that the funding would be returned to government.

2.5 Recommended Option

Option 1

3. Consultation on Proposal

Discussions for these projects has continued with thematic boards during project development.

Project sponsors are required to publish business cases on their websites (or an appropriate summary of the submission) and must consider all comments received and reflect this in the stages of the application process.

4. Timetable and Accountability for Implementing this Decision

4.1 Subject to the approval of the recommendations and approval by the MCA, the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer will progress to enter into a legal agreement with the promoter.

4.2 The promoter is responsible for the further development of projects that have gateway approval to the next stage of the MCA Assurance process

5. Financial and Procurement Implications and Advice

5.1 The projects presented for approval today are profiled to draw down up to £6.92m from the TCF2 allocation of £166.3m and £2.68m from CRSTS. These funding streams can only be used for Capital schemes.

An allocation of £40,103,822 has been awarded to the MCA. This will be spent according to the allocations in section 1.5 above, and includes an amount ring-fenced for the internal management and administration costs of the organisation.

6. Legal Implications and Advice

- 6.1 The legal implications of the projects have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed within the Assurance Summaries as presented in the Appendices.
- 6.2 Prior to awarding the grants, the MCA shall ensure contracts are put in place to ensure the recipients comply with the grant conditions

7. Human Resources Implications and Advice

- 7.1 Not Applicable

8. Equality and Diversity Implications and Advice

- 8.1 Appropriate equality and diversity considerations are taken into account as part of the assurance of the project business cases

9. Climate Change Implications and Advice

- 9.1 A number of the schemes include new and/or enhanced active travel initiatives and improvements to public and community transport infrastructure thereby shifting private vehicle use to more sustainable modes of transport. This aims to deliver huge benefits for health and the prosperity of cities, positively contributing to the SYMCA's climate change aspirations

10. Information and Communication Technology Implications and Advice

- 10.1 Not Applicable

11. Communications and Marketing Implications and Advice

- 11.1 The approvals provide positive opportunities to highlight the difference the MCA's investments will make to people and passengers, businesses and places across South Yorkshire and how Members are taking action to support the region's recovery from COVID

List of Appendices Included

- A1 Assurance Summary – Zero Emission Bus Regional Areas
- A2 Assurance Summary – Magna Tram Train
- A3 Assurance Summary – South-West Bus Corridors

Background Papers: None