

Transport and the Environment Board

01 September 2022

Programme Performance Report

Is the paper exempt from the press and public?	No
Purpose of this report:	Monitoring/Assurance
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:

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Report Author(s):

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Executive Summary

This report provides the Board with the latest performance information on Transport and Environment capital programmes being delivered on behalf of the MCA. The report is intended to support oversight and scrutiny.

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

The MCA's investment in South Yorkshire's travel and transport infrastructure is critical to delivering upon the region's broader aspirations. Performance information supports the robust oversight and management of this delivery.

Recommendations

That Board members:

- Consider the performance information provided to identify future performance deep-dives or significant areas of risk;

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

None

1. Background

- 1.1 The South Yorkshire Mayoral Combined Authority currently has one hundred and fifty three projects which fall within the remit of the Transport and the Environment Board. The schemes are resourced from various funding streams with an aggregate value of £757.93m.

This report gives an overview on the performance of programmes and the projects within them, highlighting management actions being taken to mitigate risks.

- 1.2 The expenditure baseline for 22/23 was initially set at £238.86m with the latest forecasts suggesting outturn expenditure of £157.82m. This level of expenditure will generate a material underspend of £81.04m (33.9%).
- 1.3 Of this value £77.06m (95%) is funded from conditional government grant, and consents will likely be required to roll-forward funding unspent at the year-end to future periods.

2. Current Position by Funding Stream

- 2.1 The table presented below highlights the forecast full-year expenditure profiles set against the baseline targets. The table highlights underspend across the funded programmes of activity, cumulatively totalling £81.04m:

Funding Stream	2022/23 Baseline (£m)	2022/23 Forecast (£m)	2022/23 Variance (£m)
CRSTS	£41.10	£40.30	-£0.80
Active Travel 2 (ATF2) Cap	£4.27	£4.20	-£0.07
Active Travel 2 (ATF2) Rev	£1.00	£1.00	£0.00
Active Travel Gainshare	£1.73	£0.70	-£1.03
Transforming Cities Fund 2 (TCF2)	£146.26	£69.27	-£76.99
Legacy LGF incl. Retained Major	£23.12	£23.12	£0.00
Gainshare	£7.71	£7.71	£0.00
Active Travel 3	£0.00	£0.85	£0.85
Capability Fund	£1.10	£1.10	£0.00
Mayors Transport fund	£12.00	£9.00	-£3.00
Restoring your Railways	£0.08	£0.08	£0.00
ZEBRA	£0.00	£0.00	£0.00
STAF	£0.49	£0.49	£0.00
	£238.86	£157.82	-£81.04

The TCF and ATF2 baseline targets are set by government, requiring in-year allocations to be fully defrayed within the financial year. There is no comparative grant conditionality timeline pressure on Gainshare funding, the legacy LGF activity, nor the Retained Major funding for the Parkway widening scheme.

The pace of the capital programme in this thematic area has been reported as a concern previously, with performance now likely to be beyond complete mitigation in a number of areas.

Of particular concern is the underspend and delays in Business case submission on the TCF and Active Travel Fund programmes where underspend is reported across all delivery partners, largely reflecting both the challenging timetable and known pressures across the supply chain and labour market.

The TCF programme consists of 32 schemes. Based on schemes in delivery and latest forecast business case submission dates, 7 schemes are forecast to complete this financial year, with a further 13 to commence delivery this financial year, but not complete until next financial year. The final 13 schemes are not forecast to start delivery until next financial year and will complete thereafter.

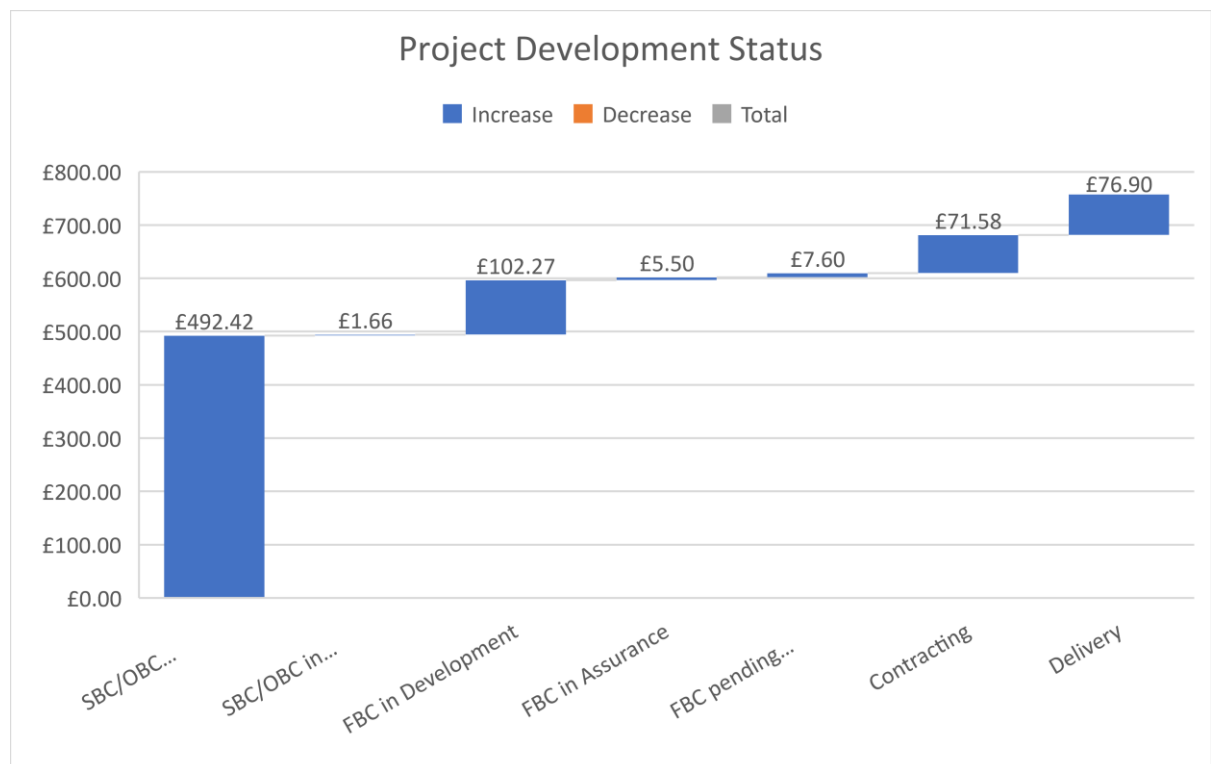
TEB and MCA decisions will be sought based on the flexibilities afforded to the region to manage cost pressures and underspend locally. It is unlikely the TCF programme will be deliverable in its entirety within the current funding allocation, and it may be necessary to prioritise which schemes are progressed as others become unaffordable or no longer feasible based on value for money assessments.

The ATF programme of 8 schemes, faces a similar challenge on a smaller scale. This programme is part ATF and part Gainshare funded, and therefore steps have been taken to maximise ATF expenditure through prioritising this over Gainshare for schemes in delivery, with Gainshare to fund schemes delivering beyond the ATF in year baseline target. 5 schemes forecast completion this financial year, the remaining 3 will commence activity but not complete until next financial year.

The MCA continues to enjoy good collaboration from partners, with mitigations being considered across a number of projects. The MCA also continues to work with Government to identify compliant flexibilities that could be applied to support the delivery of the projects in full.

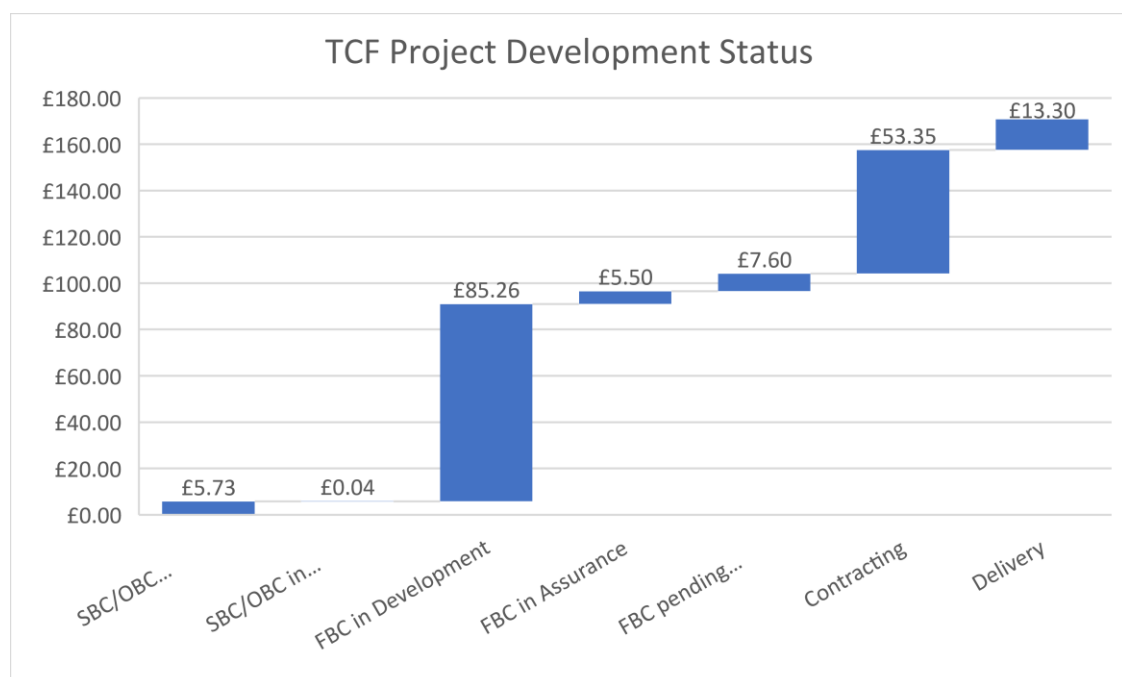
2.2 Development Status of Projects

- 2.3 The graphic below exemplifies the milestone status of projects by value. The graphic reflects to the full £757.93m thematic portfolio. Viewing information in this format supports scrutiny of the full programme from end-to-end rather than simply monitoring in-year expenditure. The graphic highlights that only c. 10% of the portfolio is in delivery with the weight of schemes now in early development:



2.4 Of particular concern is the underspend and delays in Business case submission on the TCF and Active Travel Fund programme where underspend is reported across all delivery partners, largely reflecting both the challenging timetable and known pressures across the supply chain and labour market.

The graphic below exemplifies the milestone status of projects within the TCF programme. The graphic highlights that only c.7% of the portfolio is in delivery with 31% at contracting with the weight of schemes now in FBC development.



The weighting of activity at FBC development supports forecasting that there will be a significant number of schemes entering into delivery in the new financial year.

- 2.5 Concerns around the region's ability to deliver all its TCF2 activity by March 2023 now appear to be abating as the final tranche of TCF funding (£72m) is rolled into the new five-year City Region Sustainable Transport Settlement. Confirmation of how schemes spanning both TCF and CRSTS programmes will be monitored and evaluated is awaited from DfT, and this will impact flexibilities for local decisions.

3. Management Actions

- 3.1 Close monitoring is on-going and full programme reviews, where they have not already commenced, will be undertaken. This will reaffirm delivery status and inform remedial actions required to address risk.
- 3.2 The MCA is proactively engaging Government on the status of the programmes, seeking flexibilities where they may be available.

4. Consultation on Proposal

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

5. Timetable and Accountability for Implementing this Decision

- 5.1 Updates to the Board will continue to be made throughout the year

6. Financial and Procurement Implications and Advice

- 6.1 This report notes the slower than forecast pace of the TEB capital schemes. The report notes the potential implications for funding. The report further notes the work being undertaken within the MCA with local partners and national government to mitigate this risk.

7. Legal Implications and Advice

- 7.1 The funding agreement for the schemes provide that any failure to make adequate progress against the spend profile identified may result in the reduction or withdrawal of further funding

8. Human Resources Implications and Advice

- 8.1 None

9. Equality and Diversity Implications and Advice

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

The premise of the engagement is based upon a deal where greater social value is negotiated and the business commits to supporting local supply chains, local labour market, training and taking on apprenticeships, for example

10. Climate Change Implications and Advice

- 10.1 Climate change impact is assessed as part of the assurance process for any proposed activity.

11. Information and Communication Technology Implications and Advice

- 11.1 None

12. Communications and Marketing Implications and Advice

- 12.1 None

List of Appendices Included

None

Background Papers

None