

Transport and the Environment Board

Thursday, 15 December 2022

Programme Performance

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

Director Approving Submission of the Report:
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Executive Summary

This report provides the Board with the latest performance information on the Transforming Cities Fund 2 (TCF2) and City Region Sustainable Transport Settlement (CRSTS) programmes being delivered on behalf of the MCA. The report is intended to support oversight and scrutiny.

The report notes developments on the TCF programme and the good early progress on the CRSTS programme.

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 advise on any additional information that would assist in monitoring performance; and,
- 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 86 projects within the TCF and CRSTS programmes with an aggregate value of £621.54m.

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

2. Current Position by Funding Stream

2.1 TCF2

TCF is a £166m programme that was announced in March 2020, shortly before the nation moved into pandemic related restrictions.

Previous reporting has flagged issues with the pace of the TCF programme. These issues largely reflect the early stage of development of schemes at the time of bidding; the challenging delivery timetable; and known pressures across the supply chain and labour market following the pandemic. These issues are prevailing across the nation and are exacerbated by the inflationary environment.

Whilst progress has been a concern more schemes are now beginning to move into the contracting and delivery stages.

The programme now consists of 34 schemes with:

- 4 (12%) schemes in delivery with a value of £11.75m;
- 11 (32%) schemes fully approved and going into contract with a value of £57.52m;
- 5 (15%) schemes undergoing final assurance ahead of submission for approvals; and,
- 13 (38%) schemes remain in development.

The current forecast expenditure for the current financial year is £59.51m. This is significantly behind the base budget of £137m.

A number of barriers to delivery have now been removed following the agreement at Board to give more local flexibility to partners to manage their project pressures within programme funding envelopes. This has enabled some projects to progress whilst facing challenging inflationary pressures, offsetting against underspends elsewhere. A number of schemes have identified pressures that continue to be monitored.

Concerns around the region's ability to deliver all its TCF2 activity by March 2023 – the initial funding window – have now abated as the final tranche of TCF funding (£72m) is rolled into the new five-year City Region Sustainable Transport Settlement (CRSTS).

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 projects in full.

Confirmation of how schemes spanning both TCF and CRSTS programmes will be monitored and evaluated is awaited from DfT

Further details are within the dashboard at Appendix A.

2.2 **City Region Sustainable Transport Settlement (CRSTS)**

CRSTS has 60 schemes within the programme with an aggregated value of £490m. The settlement was announced by Government at £570m reflecting the final year of the TCF being rolled into the CRSTS settlement period.

Good progress has been made in the delivery of this programme:

- 9 schemes (16%) are fully approved or already in delivery;
- 1 scheme (2%) is undergoing final assurance;
- 7 schemes (13%) are developing their full business cases (FBC); and,
- 43 schemes (78%) are in early development.

The current forecast spend amount for this financial year is broadly on budget at £33.69m.

The strong performance on the CRSTS programme in part reflects a number of lessons learnt from the TCF programme. Revenue allocations have been released to each of the local authority partners and SYPTTE to support extra capacity and early-stage feasibility works, whilst the MCA has invested in programme support to better assist in the development of schemes and smooth their passage through assurance processes.

Further details are within the dashboard at Appendix B.

3. **Consultation on Proposal**

- 3.1 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.

4. **Timetable and Accountability for Implementing this Decision**

- 4.1 Updates to the Board will continue to be made throughout the year.

5. **Financial and Procurement Implications and Advice**

- 5.1 This report notes the pace of the TCF and CRSTS programmes. Whilst CRSTS is broadly on budget the forecast TCF expenditure is significantly behind budget. The report further notes the work being undertaken within the MCA with local partners and national government to mitigate this risk.

6. **Legal Implications and Advice**

- 6.1 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

7. Human Resources Implications and Advice

7.1 None

8. Equality and Diversity Implications and Advice

8.1 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

9. Climate Change Implications and Advice

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

10. Information and Communication Technology Implications and Advice

10.1 None

11. Communications and Marketing Implications and Advice

11.1 None

List of Appendices Included:

Appendix A: TCF Dashboard
Appendix B: CRSTS Dashboard

Background Papers

None