

Mayoral Combined Authority Board

07 June 2021

MCA Levelling Up Fund bid

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

Director Approving Submission of the Report:

Martin Swales, Interim Director of Transport, Housing and Infrastructure

Report Author(s):

Martin Swales

Martin.Swales@sheffieldcityregion.org.uk

Executive Summary:

The report provides information on the government's Levelling Up Fund and appendix A is a summary of a £50m MCA bid to the first round of funding focused on improving the passenger journey experience on public transport in South Yorkshire.

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

As set out in the MCA's Transport Strategy, a better public transport system in South Yorkshire will connect people to the places they want to go through reliable, affordable and accessible services. A successful Levelling Up Fund bid would see investment focused on improving the everyday customer experience on bus (and tram), driving an increase in patronage.

Recommendations:

To approve the submission of the MCA Levelling Up fund bid to MHCLG by 18th June 2021.

Subject to approval to submit, approve delegated authority to the MCA Statutory Officers in consultation with the Mayor and Co-Chairs of the Transport and Environment Board to make final amendments to the bid.

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

None

1. Background

- 1.1 Details of the Government's Levelling Up Fund (LUF) were published alongside the Budget on 3rd March 2021. The Government has committed £4 billion for the LUF for England over the next four years (up to 2024-25). Combined Authorities are eligible to submit one transport bid only. First round bids need to be submitted by 18th June 2021.
- 1.2 The LUF will focus investment on projects of up to £20m however larger investments of up to £50m could be made in transport by exception. Larger schemes will be subject to a more detailed business case. Local areas are required to provide 10% match funding.
- 1.3 Local authorities may also submit transport bids. Where there are Mayoral Combined Authorities, local authorities should have the support of the MCA where it is responsible for the bid's delivery. There are no transport projects of this type requiring the MCA approval.
- 1.4 A range of indicative transport interventions that the LUF will support is included in the Guidance. These are: public transport, active travel, bridge repairs, bus priority lanes, local road improvements and major structural maintenance, and accessibility improvements. Schemes should be aligned with LUF objectives including; reducing carbon emissions, improving air quality, cutting congestion, supporting economic growth and improving the experience of transport users at community level.
- 1.5 First round LUF bids need to be submitted by 18th June 2021. Government will take decisions on successful submissions by Autumn 2021. Funding in the first round will be prioritised for bids that can commence delivery in 21/22. All funding provided would need to be spent by 31st March 2024, exceptionally into 24/25 for larger schemes. The fund is capital.

2. Key Issues

- 2.1 The case for a shift to sustainable transport modes remains pressing for economic, social and environmental reasons. The Government has recognised this in the publication of the National Bus Strategy which will require the MCA to publish an ambitious Bus Service Improvement Plan (BSIP) by October 2021. Underpinning this will be a requirement to enter into, as a minimum, an Enhanced Partnership with bus operators in order to continue to receive Government funding.

- 2.2 The Government has set out what it expects to see in a BSIP. The BSIP will need to set out plans for bus lanes (full time, continuous) on any roads where there is a frequent bus service, congestion, and physical space to install one with other measures such as traffic signal priority, bus gates, clear and consistent signage.
- 2.3 Investment planning work encompassing the Levelling Up Fund will form part of an emerging multi-year, multi fund investment programme focused on public transport recovery and growth supported through sources such as Gainshare, Intra City Transport Fund, Active Travel Fund, National Bus Strategy funding, TCF, ITB and HCM. The MCA will be required to develop a costed Transport Plan as part of the negotiations on ICTF in the second half of 2021.
- 2.4 Using the approved Gainshare investments as the cornerstone, a Levelling Up Fund bid has been developed for consideration for submission to MHCLG. The LUF bid focuses on delivering improvements in the bus customer experience to drive patronage and investing in structural and infrastructure maintenance.
- 2.5 A summary of the bid is provided at Appendix A for consideration and endorsement.
- 2.6 Subject to approval to submit, approve delegated authority to the MCA Statutory Officers in consultation with the Mayor and Co-Chairs of the Transport and Environment Board to make final amendments to the bid.

3. Options Considered and Recommended Proposal

3.1 Option 1

Submission of the MCA Levelling Up Fund bid to MHCLG.

3.2 Option 1 Risks and Mitigations

There are risks associated with pursuing a bid in advance of the completion of the development work and planning associated with the Bus Service Improvement Plan.

3.3 Option 2

A bid to a later round of the Levelling Up Fund could be considered.

3.4 Option 2 Risks and Mitigations

It is not clear when this funding will be available or whether the Fund Guidance will remain the same.

3.5 Option 3

Decline to pursue the Levelling Up Funding opportunity at this stage.

3.6 Option 3 Risks and Mitigations

This funding opportunity could be foregone to focus on delivering funding already received in particular ensuring that the Gainshare bus projects and TCF schemes are delivered.

3.7 Recommended Option

Option 1

4. Consultation on Proposal

- 4.1 The bid summary will be shared with stakeholders including MPs. If the bid is successful scheme level consultation may be required.

5. Timetable and Accountability for Implementing this Decision:

- 5.1 The MCA is accountable for implementing the decision. If the recommended option is pursued the MCA Executive will submit the bid to MHCLG by the deadline.

6. Financial and Procurement Implications and Advice

- 6.1 The Fund will support projects up to £20m with scope for larger bids for high value transport projects. An economic case will be required that assesses the value for money of the proposal for which funding is sought.

7. Legal Implications and Advice

- 7.1 The bid needs to include an explanation of how the project support UK Government policy objectives and legal and statutory commitments. The Guidance also states that applicants must describe their approach to ensuring full compliance in order to discharge their legal duties. Advice will be required to understand the Subsidy Control implications of some of the public transport schemes considered for delivery in future years.

8. Human Resources Implications and Advice

- 8.1 As noted in the risk section, some additional resources maybe required to deliver the proposed work.

9. Equality and Diversity Implications and Advice

- 9.1 The Levelling Up Fund bid's focus on public transport is supporting the goal achieving a high quality bus service that works for all South Yorkshire's residents recognising the findings of the Bus Review that disabled passengers in particular are not always able to access a good service and that young people and the elderly also experience challenges.

10. Climate Change Implications and Advice

- 10.1 The Levelling Up Fund bid's focus on public transport is supporting the goal of modal shift towards more sustainable transport as set out in the SCR Transport Strategy. More detailed environmental impacts will be considered at the project level

11. Information and Communication Technology Implications and Advice

- 11.1 None

12. Communications and Marketing Implications and Advice

- 12.1 The Board may wish to consider proactive communications activity around the submission to lobby government to invest in the region's transport infrastructure. The submission builds on the commitments made in the MCA's Investment Strategy, and work will be undertaken to communicate the difference the plans, if supported, will make to passenger's experiences of travelling in South Yorkshire.

List of Appendices Included

A Summary of Bid

Background Papers

None