

Transport and the Environment Board

14 June 2021

Transforming Cities Fund – Expressions of Interest for inclusion of new schemes into the TCF programme

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:	Transforming Cities Fund
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

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Executive Summary:

To provide details of new schemes that are requesting inclusion in the TCF programme for consideration. Schemes are accepted to reduce programme delivery risk through over programming, but progression post outline business case stage is entirely contingent on funding being available in the TCF programme.

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

That the MCA can maximise spend within the TCF programme, but specifically through the development of an active travel scheme in the Broom area of Rotherham within the TCF programme.

Recommendations:

That members of the Transport Board:

- Approve the inclusion of the 'Expression of Interest' set out in Section 2.3 within the TCF programme for development to Outline Business Case.

1. Background

- 1.1 The Strategic Outline Business Case (SOBC) for the Transforming Cities Fund (TCF) programme was submitted to the Department for Transport (DfT) on 27th November 2019. The subsequent acceptance of the £166m grant from DfT was reported at the MCA meeting on 1st June 2020.
- 1.2 Following concerns on the pace of the programme's initial delivery, the Transport and Environment Board (TEB) approved a proposal to commence a programme review. The results of the initial review were reported to TEB in January 2021. A number of proposed steps to increase oversight on performance and mitigate some of the delivery risk were approved, including *'To increase the resilience, and therefore likely performance, of the programme a level of over-programming could be more actively developed, the review process has indicated that the current pipeline for eligible schemes is weak'*
- 1.3 All five scheme delivery partners have subsequently been given the opportunity to put forward schemes to be considered as over-programming. Schemes could either be variations of existing activity (for example, additional interventions at rail stations already in the programme or investing in rail stations not currently in the programme) or new activity. Variations of existing activity will be considered through the established business case process. This new activity has been considered through an Expression of Interest (EOI) process, the outcome of which is the subject of this report.
- 1.4 If a scheme is approved for inclusion in the TCF programme, the programme SOBC will need to be updated accordingly and the Board will have an opportunity to confirm its decision when it is notified at the next meeting. Approved schemes will be able to access the early release of scheme development funding to contribute towards the costs of delivering an Outline Business Case (OBC). In June 2020, MCA approved a release of 2% of the total scheme cost to contribute towards the costs of this task.
- 1.5 Development funding is made available to fund to OBC, progression beyond this point is contingent on schemes meeting TCF outcomes, providing value for money and headroom being available in the TCF programme to fund further development then delivery.
- 1.6 As a reminder, the following objectives were defined for the TCF programme:
 - To better connect the areas of transport poverty with areas of opportunity in a safe and sustainable way
 - To affect a mode shift away from the private car on those corridors where new opportunities are likely to see an increase in demand or where growth could be stifled
 - To create a cultural shift towards making cycling and walking the natural choice for shorter journeys
 - To achieve the above in ways that address current health issues and improve air quality across the SCR

1.7 The TCF programme needs to be completed by March 2023.

2. Key Issues

2.1 Six EOIs have been received to date. Five were considered at January's TEB meeting, this report considers the one submitted since January.

2.2 The scheme is a contribution to an 'active travel' scheme in the Broom area of Rotherham. Looking at it in a bit more detail:

2.3 Rotherham, Broom Road Active Travel (£3.0m total - TCF contribution of £1.5m)

- The project consists of two elements –
 - Construction of cycleways along Wellgate and Broom Road, with associated works at junctions and crossings.
 - Works to provide improved conditions for walking and cycling along Broom Valley Road
- Complementary to TCF investment in other active travel routes both in Rotherham town centre and on other corridors into the town centre
- Originally planned to be delivered through approved Active Travel (£1.0m) and Gainshare (£0.5m) funding, but the design process has led to potential solutions that may better meet community preferences. However, this still needs to be tested through public consultation - the results of which would be presented in an Outline Business Case. The Active Travel Funds need to be spent by March 2022.
- TCF ask affords the project additional time and budget to include a greater number of options through public consultation in respect of Broom Valley Road and respond to feedback received.
- Any additional funding not required in meeting public expectations on Broom Valley Road would be planned to be invested in providing a greater length of cycleway on Broom Road itself, but this approach would need approval through the MCAs business case process.

3. Options Considered and Recommended Proposal

3.1 Option 1

Do-nothing – an 'acceptance' approach to current delivery concerns within the TCF programme. This could result in significant under performance of the programme targets and inability to deliver the objectives of the SOBC.

3.2 Option 1 Risks and Mitigations

The risk of under delivery is mitigated through an approach of accepting new schemes into a TCF 'pipeline'. This enables under-spend within the programme to be re-allocated quickly to schemes where initial development has already been undertaken. This strengthening of delivery through over-programming is an approach previously approved by TEB.

3.3 However, over programming will not be used to change or withdraw existing schemes without giving the Scheme Promotor the opportunity to rephase their

schemes. Deadlines have been set with Local Authorities on schemes that are not progressing to come up with their plans.

3.4 **Option 2**

The development of robust, transparent and proportionate business cases is a key part of managing a successful programme. Accepting new schemes into the TCF programme and 'advancing' capital monies to fund scheme development costs on schemes rather than leaving initial scheme development costs to be funded by sponsors. This could lead to projects being delivered in parallel which in turn could help maximise the number of schemes delivered within the programme.

3.5 **Option 2 Risks and Mitigations**

The key risk is that capital monies are 'advanced' to fund scheme development costs on schemes that may not then progress – and these costs should become a revenue liability. This liability must be retained by the promoting authority and not the MCA.

Development funding is made available to fund to OBC, progression beyond this point is contingent on schemes meeting TCF outcomes, providing value for money and headroom being available in the TCF programme to fund further development then delivery.

3.6 **Recommended Option**

Option 2

4. **Consultation on Proposal**

4.1 No specific consultation has been done on this proposal, other than through implementing a proposal that has been previously agreed by TEB.

5. **Timetable and Accountability for Implementing this Decision:**

5.1 The decision to accept this project into the pipeline can be made at this TEB meeting, with scheme development costs covered in a separate financial approvals later in the agenda.

6. **Financial and Procurement Implications and Advice**

6.1 Agenda item 10 concerns the recommendation to released scheme development costs for this Expression of Interest.

6.2 Development funding is made available to fund to OBC, progression beyond this point is entirely contingent on funding being available in the TCF programme.

6.3 Any costs of developing schemes that don't then progress would become a revenue liability, with repayment of any grant from MCA required as this risk would always need to be retained by the promoting authority and not the MCA.

7. Legal Implications and Advice

7.1 The MCA will enter into legal agreements to facilitate the release of any grant.

8. Human Resources Implications and Advice

8.1 No specific human resource implications are considered at this stage

9. Equality and Diversity Implications and Advice

9.1 No specific equality, diversity and social inclusion issues are considered at this stage, but one of the aims of the TCF programme included in section 1.6 is to better connect the areas of transport poverty with areas of opportunity in a safe and sustainable way.

10. Climate Change Implications and Advice

10.1 Although there are benefits in the schemes promoting sustainable transport modes over the private car, there will be a variable impact depending on construction materials used. Climate change impact will be assessed as part of the assurance process for proposed schemes.

11. Information and Communication Technology Implications and Advice

11.1 No specific information and communications technology implications are considered at this stage.

12. Communications and Marketing Implications and Advice. Please also refer to consultation undertaken as per Section 4

12.1 No specific communications and marketing implications are considered at this stage.

List of Appendices Included

A Rotherham, Broom Road active travel

Background Papers:

None