

Mayoral Combined Authority Board

26 July 2021

South Yorkshire Intra City Transport Settlement (ICTS) Submission to Government

Is the paper exempt from the press and public?	No
Purpose of this report:	Policy 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:

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Executive Summary

In the 2020 Spending Review the Government confirmed £4.2bn for Intra City Transport Settlements (ICTS) for eight Mayoral Combined Authorities. ICTS is available from April 2022 for a five year period with revenue resource available in 21/22 to make preparations. Due to the short time frame available to develop a five year programme this report seeks delegation to the MCA Chief Executive Officer and Group Finance Director in consultation with the Mayor, Local Authority Leaders and the private sector Co-Chair of the Transport and Environment Board, to develop a bid to submit to DfT by the end of August.

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

ICTS provides future funding for transport investment in South Yorkshire allowing improvements to the transport network. Investment in public transport, decarbonisation and growth will support

residents and businesses to access employment and markets and support the delivery of sustainable and inclusive growth.

Recommendations

To seek delegation to the MCA Chief Executive Officer and Group Finance Director, in consultation with the Mayor, Leaders of the Local Authorities, private sector co-chair of the Transport and Environment Board, to develop a bid to submit to DfT by the end of August 2021.

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

Transport and Environment Board	01 June 2021
Transport and Environment Board Informal	09 July 2021
Assurance Panel	TBC

1. Background

- 1.1 In the 2020 Spending Review the Government confirmed Intra City Transport Settlements (ICTS) for eight Mayoral Combined Authorities. Funding totalling £4.2bn has been announced available from 2022-23. The MCA is required to submit proposals to Government by the end of August 2021.
- 1.2 Programme objectives have been set out by HMT, these are:
 - Growth and productivity - driving growth and productivity through investment.
 - Levelling up - work closely with local stakeholders to ensure plans reflect local priorities and deliver for local communities.
 - Decarbonisation - driving decarbonisation through the transport system.
 - Local contribution - bids should also include a long-term agenda on fiscal sustainability.
- 1.3 Government has confirmed that the MCA will also be able to access bus reform funding, local roads funding, Major Road Network and Large Local Majors, cycling and walking investment and local electric vehicle charging infrastructure.
- 1.4 Limited time has been available between publication of the guidance and bid submission date. Therefore, delegated authority is sought to approve the programme for submission by the end of August 2021.

2. Key Issues

- 2.1 The MCA Executive team will continue to work in a collaborative way with our Local Authority colleagues to ensure that South Yorkshire puts forward the strongest investment case possible.
- 2.2 Discussions are ongoing with Government on the funding available for the renewal of the Supertram system, recognising the scale of this investment is significantly larger than the resources available to South Yorkshire via ICTS or other local funding sources.

3. Options Considered and Recommended Proposal

3.1 Option 1

Propose a high value programme to government given the historic underinvestment in transport in South Yorkshire and our ambitious plans.

3.2 Option 1 Risks and Mitigations

This is likely to be a competitive process but proposing a programme significantly larger than the highest value indicated may carry risks with Government.

3.3 Option 2

To only propose a low value programme to Government.

3.4 Option 2 Risks and Mitigations

This is likely to be a competitive process and Government may only make a low award.

3.7 Recommended Option

Option 1 is recommended to the MCA Board.

4. Consultation on Proposal

4.1 There has been limited time available to consult on the ICTS proposal.

5. Timetable and Accountability for Implementing this Decision:

5.1 The anticipated deadline for final submission to Government is the end of August 2021 with funding allocations announced following the Spending Review.

6. Financial and Procurement Implications and Advice

6.1 The ICTS funding described in this report will represent the single largest Departmental capital grant funding stream available to the MCA in the near-term. This funding is expected to encompass existing transport maintenance and operational funds, but also afford the MCA certainty of resource for transformational activity.

6.2 The shape of the MCA's bid will influence and be influenced by the longer-term revenue budget implications of the capital investment, and in particular the impact upon the transport levy. The ability to bid into this funding affords the MCA the opportunity to protect and renew some of the region's existing infrastructure and assets without recourse to expensive external finance, whilst offering the MCA the opportunity to resource unfunded aspirational schemes.

7. Legal Implications and Advice

7.1 There are no legal implications arising directly from this report. Should the bid be successful the provision of funding to scheme promoters and recipients will be appropriately contracted and procured. Through S101 of the Local Government Act 1972 the MCA may arrange for the discharge of any of their function by an officer of the authority.

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 Equality, Diversity and Social Inclusion will be considered in the design and development of investment proposals for the ICTS

10. Climate Change Implications and Advice

10.1 Climate Change will be considered in the design and development of investment proposals for the ICTS.

11. Information and Communication Technology Implications and Advice

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

12. Communications and Marketing Implications and Advice

12.1 The MCA Communications and External Affairs team will support in the development and communication of the South Yorkshire ICTS bid.

List of Appendices Included

A None

Background Papers

None