

Transport and the Environment Board

02 September 2021

Programme Approvals

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

Director Approving Submission of the Report:

Gareth Sutton, Chief Finance Officer/s73 Officer

Report Author(s):

Charli Taylor

Charli.Taylor@sheffieldcityregion.org.uk

Executive Summary

This paper seeks approval to progress 2 Full business Cases (FBCs) to full approval and award of grant, progression of 5 Outline Business cases (OBCs) to FBC and the release of development funding, and the progression of 1 OBC to FBC subject to funding becoming available.

The report further provides an update on the TCF2 programme and its interdependency to the new City Region Sustainable Transport Settlement ('CRSTS') funding stream.

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

This report is seeking approval to progress business cases and enter into contract for a number of investment proposals which will support the MCA's aspirations.

Recommendations

The Board consider and approve -

1. Progression of T8/2 Magna Tinsley ('OBC') to MCA for approval to proceed to FBC and release of up to £845k business case development cost funding from TCF2 to Sheffield City Council ('SCC') subject to the conditions set out in the Assurance Summary attached at **Appendix A**;

2. Progression of T28 Unity ('OBC') to MCA for approval to proceed to FBC and release of up to £50k business case development cost funding from TCF2 to Doncaster Metropolitan Borough Council ('DMBC') subject to the conditions set out in the Assurance Summary attached at **Appendix B**;
3. Progression of T34 River Dearne ('OBC') to proceed to FBC subject to funding becoming available and the conditions set out in the Assurance Summary attached at **Appendix C**;
4. Progression of T23 Nether Edge Wedge ('OBC') to MCA for approval to proceed to FBC and release of up to £1.38m business case development cost funding from TCF2 to SCC subject to the conditions set out in the Assurance Summary attached at **Appendix D**;
5. Progression of T18 iPort Bridge ('FBC') to MCA for full approval of award of £5.46m from TCF2 to South Yorkshire Passenger Transport Executive ('SYPTe') subject to the conditions set out in the Assurance Summary attached at **Appendix E**;
6. Progression of T16 Stations Access Package ('FBC') to MCA for full approval of award of £6.17m from TCF2 to DMBC subject to the conditions set out in the Assurance Summary attached at **Appendix F**;
7. Progression of O47 Broom Road Cycleways ('OBC') to MCA for approval to proceed to FBC and release of up to £211k business case development cost funding from ATF2 to RMBC subject to the conditions set out in the Assurance Summary attached at **Appendix G**;
8. Progression of O46 Warmsworth to Conisborough Cycle Superhighway ('OBC') to proceed to FBC and release of up to £80k business case development cost funding from ATF2 to DMBC subject to the conditions set out in the Assurance Summary attached at **Appendix H**;
9. Delegated authority to be given to the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer to enter into legal agreements for the points covered above.

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

Assurance Panel	28 July 2021
Assurance Panel	12 August 2021
Assurance Panel	13 August 2021

1. Background

- 1.1 This report seeks approval for the progression of schemes funded from the Transforming Cities Fund (TCF) programme and the Active Travel Fund programme. This report further provides an update on the TCF programme, and how that programme interfaces with the new City Region Sustainable Transport Settlement (CRSTS).

1.2 Active Travel Fund Phase 2

In December 2020 the MCA was awarded £5.46m funding for the ATF2 towards total programme costs of £7.70m, matched by £2.24m Gainshare. The grant was allocated to the 4 Local Authorities for active travel activity to March 2022 and builds upon the temporary provisions as proposed during the Emergency Active Travel Fund Phase 1.

The MCA approved the early release of up to 2% of total scheme costs to facilitate the development of the business case.

This paper requests approval of 2 OBCs which will enable release of business case development funding as detailed in sections 2.8 – 2.9 of this report.

1.2 TCF Tranche 2

In March 2020 the MCA was awarded £166.30m funding for the MCA's TCF2 aspirations. This grant was allocated from April 2019 to March 2023 resourcing a programme of transformational public transport, active travel and rail initiatives.

In June 2020 the MCA approved the early release of project funding to facilitate the development of the business cases. Funding is released upon progression through governance gateways as a percentage of the total funding envelope:

1. Up to 2% is released following SOBC approval; and
2. c.10% is released, subject to a costed plan, following OBC approval.

This paper requests approval to progress 4 OBCs to FBCs which will enable release of business case development funding, and 2 FBCs to full approval, , and approval of 1 OBC dependent on funding becoming available as detailed in sections 2.1 – 2.7 of this report.

1.3 TCF2 Programme Update & Interface to CRSTS

For a number of months concerns have been raised with the Board around the TCF2 programme's ability to complete within the funding window prescribed within the grant conditionality set by the DfT.

Principally, there was a significant concern that a number of schemes would either complete or commence after March 2023, leaving the MCA and partners exposed to the DfT's condition that all funding must have been spent by this date or be returned to government.

To mitigate against this risk the Board has previously authorised the MCA to adopt a twin-track approach of adopting an over-programmed position whilst continuing to lobby government for flexibility on the grant conditions.

The decision to adopt the over-programming approach has led to a number of schemes being worked up with partners at risk. This allowed the programme to develop out contingency schemes that could exploit any funding should undeliverable schemes be removed from the programme. Schemes would only progress beyond the OBC gateway should funding headroom arise.

However, since this point the announcement of the new CRSTS has changed the transport funding landscape. Over time it has become apparent that the final year of TCF2 funding (£72m) would be rolled into the new five-year CRSTS programme. Whilst this represents the re-announcement of previously committed funding, it does change the dynamic around the previously accepted need to have defrayed all funding by March 2023 by effectively extending the delivery window.

The consequence of this is that the immediate risk around deliverability of schemes has abated, but it also significantly reduces the likelihood of schemes being removed

from the TCF2 programme and thus the possibility of funding headroom being created to resource the overprogramming position.

This issue is exacerbated by the significant cost-inflation that is now materialising across the programme. Across partners and schemes the costs of materiel, labour, and professional services are rising beyond expectation, influenced by a number of factors largely outside the control of project sponsors.

Taken together, these issues now shift the risk significantly from one of potential programme underspend to one of potential funding shortfalls.

The MCA has proactively engaged partner authorities where necessary to convey risk around individual schemes and recommend that where final scheme costs are likely to be in excess of the available TCF funding that the shortfall be recognised in the CRSTS bids. This approach has led to a number of pipeline schemes and further funding requirements being reflected in partner submissions.

Based on this action it is currently forecast that the remaining schemes can be accommodated within the TCF programme envelope, however there is little remaining headroom to accommodate further cost inflation.

The MCA will continue to work with partners to ensure developing schemes reflect this constrained funding position, whilst pipeline schemes will continue to be held at OBC – as originally agreed – until funding headroom becomes available.

2. Proposal and Justifications

2.1 T8/2 Magna-Tinsley (TCF2 OBC)

Appendix A provides a summary of the project assurance and the suggested conditions of award.

This investment is for £5.27m from TCF2, with development costs to be released of £0.84m to SCC.

This project will deliver a number of cycling and pedestrianised improvements, predominantly -

- Sheffield Road
 - New unidirectional cycle tracks on both sides of Sheffield Road between the Sheffield/Rotherham district boundary and Blackburn Meadows Way
 - Upgrade and widening of footpaths on Sheffield Road
- Blackburn Meadows Way
 - Upgrade of the existing shared use infrastructure to provide traffic-free, segregated and safe infrastructure for both pedestrians and cyclists along this road
- New toucan crossings on Sheffield Road and Meadowhall Road/Meadowhall Way
 - Provision of a two/three new toucan crossings to provide safe crossing points and reduce levels of severance resulting from the physical and built environment.

The Benefits and Outcomes

The project will deliver the following outputs -

- 0.92km of new segregated cycle track
- 0.92km of upgraded cycle track
- 0.92km of upgraded footpaths
- 2/3 toucan crossings

The project is considered a good strategic fit. Risks concerning land acquisition have been raised as part of the assurance however are considered manageable at this stage.

2.2 T28 Unity (TCF2 OBC)

Appendix B provides a summary of the project assurance and the suggested conditions of award.

This investment is for £4.39m from TCF2, with development costs to be released of £0.05m to DMBC.

The project will deliver a combination of off road cycle facilities and on road quiet ways, connecting Doncaster town centre with Doncaster Royal Infirmary, employment and retail zones located north east of the town centre and a significant residential catchment area which is within 2.0km cycle of the town centre.

The Benefits and Outcomes

The project will deliver the following outputs -

- 14.1km of new segregated walking and cycling infrastructure
- 2.7km of new cycle quiet streets

The project will deliver the following outcomes -

- Increased walking and cycling journeys (68%)
- Increased percentage of population cycling to work (68%)

The project has a clear strategic rationale and risks are considered manageable at this stage. The Assurance Summary notes some conditions of approval that will need to be resolved within the submitted FBC, these are detailed in full within Appendix B.

2.3 T34 River Dearne Active Travel (OBC)

Appendix C provides a summary of the project assurance and the suggested conditions of award.

This investment is for £0.55m.

The project will deliver a package of measures which seeks to improve walking and cycling connectivity between A61 Gyratory at Old Mill Lane and A633 Grange Lane via A628 Pontefract Road. The proposal will also incorporate a spur which will improve connectivity to Old Tannery Road.

The Benefits and Outcomes

The project will deliver the following outputs –

- Infrastructure improvements to 2.45km of off-road active travel route

- 1 toucans crossing at A61 Old Mill Lane
- Improved crossing facilities on Pontefract Road and Grange Lane
- Wayfinding signage
- Improvements to public realm
- Resurfacing improvements
- Improvements to lighting
- Incorporation of a dish channels to the existing steps to allow cyclists to negate level differences in the Dearne Valley Park

The project has a clear strategic rationale to facilitate a reduction in dependence on private car travel through the provision of new and enhanced active travel infrastructure.

The project was accepted onto the TCF2 programme pipeline in March 2021 with a condition that progression beyond the OBC stage was entirely contingent on funding being available. There is currently no grant availability within the TCF2 programme, therefore approval is recommended to progress once alternative funding becomes available.

2.4 **T23 Nether Edge Wedge (TCF2 OBC)**

Appendix D provides a summary of the project assurance and the suggested conditions of award.

This investment is for £13.20m from TCF2 towards total project costs of £13.30m, with development costs to be released of £1.38m to SCC.

The project will deliver enhanced transport connectivity between Sharrow, Nether Edge and Broomhall linking into the city centre while at the same time improving journeys in the local area.

The Benefits and Outcomes –

The project will deliver the following outputs –

- 2.5km improved cycle infrastructure
- 2.5km improved pedestrian infrastructure
- 6 junction improvements
- 50m of new bus lane
- 1 bus priority signal
- 4 signalised junction improvements
- 1.84km segregated cycle track
- 7 pedestrian crossings and 8 upgrades
- 100 cycle parking spaces

The project is considered high value for money.

The Assurance Summary notes some conditions of approval that will need to be resolved within the submitted FBC, these are detailed in full within Appendix D.

2.5 **T18 iPort Bridge (TCF2 FBC)**

Appendix E provides a summary of the project assurance and the suggested conditions of award.

This investment is for £5.45m from TCF2 towards total project costs of £5.79m to SYPTE.

The project will deliver a new 0.5km bus and active travel link between New Rossington and the lport to make PT a viable option for workforce and visitors.

The Benefits and Outcomes –

The project will deliver the following outcomes-

- Increased walking and cycling journeys
- Reduce public transport journey time
- Increase bus patronage
- Improvements in air quality and health and wellbeing

The project has a clear strategic rationale, demonstrating strong linkage to transport strategy goals, mayoral commitments and policies, the SEP, the RAP and TCF2 objectives. There is a key risk concerning access rights to the site however the risk is considered manageable at this stage. The Assurance Summary notes some conditions of approval that will need to be resolved prior to contract execution, these are detailed in full within Appendix E.

2.6 T16 Stations Access Package (TCF2 FBC)

Appendix F provides a summary of the project assurance and the suggested conditions of award.

This investment is for £6.17m from TCF2 to DMBC.

The Stations Access package aims to enhance accessibility to/from and at rail stations within Doncaster, including Adwick, Bentley, Conisborough, Kirk Sandall, and Thorne North and South, and deliver interventions that support connectivity to future High Speed Rail 2/Northern Powerhouse Rail touchpoints so that the rail network can become a viable alternative to the private car.

The project complements other TCF intended works including a package focused upon rail station improvements including enhanced signage, CCTV and lighting, and a package of improvements to cycle parking at each of the stations.

The Benefits and Outcomes

The project will deliver the following outputs -

- 10.1km of improved walking and cycling infrastructure
- 10.9km of new walking and cycling infrastructure
- 30 junction improvements to benefit non-car modes

The project will also contribute to the following outcomes -

- More walking and cycling journeys across the Sheffield City Region
- Increased rail patronage
- Increased satisfaction with public transport

The project aligns well with local and national policies and is considered good value for money. A number of conditions were outlined to be resolved during the assurance of the FBC, which have been addressed. The Assurance Summary notes some conditions of approval these are detailed in full within Appendix F.

2.7 **O47 Broom Road Cycleways (ATF2/Gainshare/TCF2 OBC)**

Appendix G provides a summary of the project assurance and the suggested conditions of award.

This investment is for £3m for two phases of the total project from ATF2/Gainshare/TCF2, with development costs to be released of £0.21m from ATF2 to RMBC.

The project will deliver new cycle ways along Wellgate and Broom Road and infrastructure improvements along Broom Valley Road.

The Benefits and Outcomes

Phase 1 of the project will deliver the following outputs -

- 650m of new cycleways

The project will also contribute to the following outcomes -

- Increased cycling journeys

The project is recommended for approval; however the request is for £1.5m ATF2/Gainshare and £1.5 TCF2. The TCF2 element of the OBC was approved onto the programme pipeline in June 2021 with a condition that progression beyond the OBC stage was entirely contingent on funding being available. There is currently no grant availability within the TCF2 programme, the recommendation is therefore to approve the phase 1 element of the project and the ATF2/Gainshare element to progress to FBC. The phase 2 element will progress once alternative funding becomes available.

2.8 **O46 Warmsworth to Conisborough Cycle Superhighway (ATF2 OBC)**

Appendix H provides a summary of the project assurance and the suggested conditions of award.

This investment is for £0.99m from ATF2, with development costs to be released of £0.08m to DMBC.

The project will deliver 2 km of new LTN 1/20 standard bi-directional cycle superhighway with pedestrian improvements delivered alongside. A new toucan crossing will enable residents in Conisbrough to access the new active travel facility and enable more active travel journeys towards Doncaster Town Centre.

The Benefits and Outcomes

The project will deliver the following outputs -

- 2km of new cycling infrastructure
- 2km of improved walking infrastructure
- 1 junction improvement to benefit non-car modes.
- 1 Toucan crossing
- Improved cycle storage within Conisbrough and Warmsworth
- Improved street lighting along the active travel corridor

The project is considered a good strategic fit. The Assurance Summary notes some conditions of approval that will need to be resolved before an FBC can be submitted, these are detailed in full within Appendix H.

3. Options Considered and Recommended Proposal

3.1 Option 1

Do not approve the recommendations in this report.

3.4 Option 1 Risks and Mitigations

Inability to approve the projects presented or release development costs may result in a slower pace of delivery and loss of activity/spend to the programmes.

3.5 Option 2

Award projects a smaller amount of grant funding.

3.8 Option 2 Risks and Mitigations

All funding awards associated with the projects have been fully appraised in line with the MCA Assurance Framework to ensure value for money. Funding for these projects is timebound by the funding bodies and any deliverability issues will be managed via alternative funding sources.

3.9 Option 3

Approve all recommendations.

3.12 Option 3 Risks and Mitigations

By approving the recommendations, the available programme funding will reduce with funding beyond the original allocations secured from alternative funding sources. However, the projects were included in the bids submitted to the funding bodies and/or are considered a strong strategic fit in line with investment aims.

3.13 Recommended Option

Option 3

4. Consultation on Proposal

- 4.1 Once a project has been accepted onto a programme pipeline, the Value for Money Statement is published on the MCA website alongside a summary of the activity. This is updated periodically to include links to the key documents for each project and a record of progress. The MCA Executive Team collects any external comments on these schemes, and these are considered as part of the appraisal process. Project sponsors are also 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 Subject to the approval of the recommendations, the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer will progress to enter into legal agreements with each promoter.
- 5.2 The promoter is responsible for the further development of projects that have gateway approval to the next stage of the MCA Assurance process.

6. Financial and Procurement Implications and Advice

- 6.1 The projects presented for approval today are profiled to drawdown up to £13.89m from the TCF2 allocation of £166.3m and up to £0.29m from the ATF2 allocation of £7.70m.

7. Legal Implications and Advice

- 7.1 The legal implications of the projects have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed within the Assurance Summaries as presented in the Appendices.
- 7.2 Prior to awarding the grants, the MCA shall ensure contracts are put in place to ensure the recipients comply with the grant conditions.

8. Human Resources Implications and Advice

- 8.1 NA

9. Equality and Diversity Implications and Advice

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

10. Climate Change Implications and Advice

- 10.1 A number of the programmes include new and/or enhanced active travel initiatives and improved infrastructure availability thereby shifting private vehicle use to more sustainable modes of transport. This aims to deliver huge benefits for health and the prosperity of cities, positively contributing to the MCA's climate change aspirations.

11. Information and Communication Technology Implications and Advice

- 11.1 NA

12. Communications and Marketing Implications and Advice

- 12.1 The approvals provide positive opportunities to highlight the difference the MCA's investments will make to people and passengers, businesses and places across South Yorkshire and how Members are taking action to support the region's recovery from COVID.

List of Appendices Included

- A Assurance Summary T8/2 Magna Tinsley (TCF2 OBC)
- B Assurance Summary T28 Unity (TCF2 OBC)
- C Assurance Summary T34 River Dearne Active Travel (OBC)
- D Assurance Summary T23 Nether Edge Wedge (TCF2 OBC)
- E Assurance Summary T18 iPort Bridge (TCF2 FBC)
- F Assurance Summary T16 Stations Access Package (TCF2 FBC)
- G Assurance Summary O47 Broom Road Cycleways (ATF2/Gainshare/TCF2 OBC)
- H Assurance Summary O46 Warmsworth to Conisborough Cycle Superhighway (ATF2 OBC)

Background Papers

NA