

3rd June 2019

TRANSFORMING CITIES FUND

Purpose of Report

This report provides an update on the progress in developing the draft business case for Sheffield City Region's Transforming Cities Fund (TCF) submission due on the 20th June 2019.

Thematic Priority

Secure investment in infrastructure where it will do most to support growth.

Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the Combined Authority Publication Scheme

Recommendations

That members of the Mayoral Combined Authority (MCA) agree:

- To delegate authority to finalise the submission of the TCF business case to the Chief Executive and Chief Financial Officer of the Mayoral Combined Authority, in consultation with the Mayor, based upon the framework set out in this report.
- To note the submission of an outline proposal for the TCF Future Mobility Zones (FMZ) made prior to the deadline on the 24th May 2019.

1. Introduction

- 1.1 In September 2018, Sheffield City Region (SCR) were confirmed as one of ten places across the country to have been shortlisted for the next phase of TCF. Subsequently a further two areas have been added to the shortlist. The requirement was to submit a draft business case to the Department for Transport (DfT) by the 20th June 2019 (before submission of the final business case in November 2019) for consideration as part of a £1.22bn funding pot.
- 1.2 This report sets out the process that has been followed in developing that business case, along with the proposed total funding amount sought and the projects to be included as part of the overall package. As the draft business case needs to be with DfT by the 20th June 2019, this report also seeks delegated authority to finalise the submission over the coming weeks in line with these proposals.

2. Proposal and justification

2.1 In order to develop the business case, a pan-authority Project Board was established which was led by the Sheffield City Region (SCR) Executive Team and South Yorkshire Passenger Transport Executive (SYPTTE). To identify potential schemes for inclusion in the business case, an initial long list was compiled which was populated with ideas put forward by the local authorities and SYPTTE. This long list, totalling around £600 million and comprising just over 250 individual schemes, was sifted based upon DfT's own guidance

on the aims of the TCF to identify schemes which presented the best fit against this guidance, created a coherent package against our three key transport corridors identified in the original TCF Prospectus agreed in June 2018, and which also contributed towards our overall local aim to improve intra-city region connections that either:

- Connect areas of deprivation/transport poverty to areas of opportunity; or
- Seek to achieve significant mode shift away from the private car on key corridors that could stifle future growth ambitions.

2.2 To structure our approach, there are three types of schemes that are considered in scope:

- **Public Transport** – a series of infrastructure improvements across the strategic transit corridors aimed at improving the performance of the public transport network, principally journey time, punctuality and reliability, within and between the main urban centres and the identified growth locations
- **Active Travel** – drawing on the Local Cycling and Walking Infrastructure Plan (LCWIP) and the recent appointment of an Active Travel Commissioner to start developing a network of active travel routes, taking advantage of the relatively low commuting distances across the SCR at present
- **Rail** – enhancing accessibility to/from and at rail stations within the SCR and interventions that support connectivity to HS2/ Northern Powerhouse Rail touchpoints so that the rail network can become a viable alternative to the private car for those taking advantage of the significant economic growth opportunities.

2.3 The following is a summary of each corridor, the key challenges the TCF business case will seek to address, along with an indication of the significant schemes being developed within the corridor:

- **River Don Corridor**
Although TCF interventions in Sheffield have been included in the 'AMID' corridor (see below), this corridor connects two of the City Region's key growth areas - Sheffield City Centre and the Unity site to the north east of Doncaster, the latter being set to set to deliver 3,100 houses and 8,000 jobs. Much of this corridor is located within Air Quality Management Areas (AQMAs) and the corridor is affected by congestion issues around Sheffield city centre, Meadowhall, Rotherham, Parkgate, Doncaster, Warmsworth and Armthorpe. This particularly impacts on bus services on the approaches to the centres

of Rotherham and Doncaster, as well as in the Meadowhall area. Key elements of this package include the following.

- Addressing locations of existing public transport delays between Doncaster urban centre and the iPort site and DSA.
- Connecting outlying settlements to the growing economic opportunity by providing a new connection into the iPort site from Rossington for buses and active travel modes.
- Improving accessibility and connectivity by providing better walking and cycling routes in Armthorpe
- Interventions at key junctions on the A18 corridor between Doncaster urban centre and the Unity growth area.
- Addressing locations of existing public transport delays within the Doncaster urban centre by providing bus priority measures at key junctions and improving on-street facilities.
- Adwick and Bentley walking and cycling schemes to connect these communities to their local rail stations with active travel measures.
- Rail station improvements – interventions to improve access to, and facilities at, the rail stations close to the Unity growth area.
- Connecting Maltby to the main urban centre of Rotherham and addressing a location of existing public transport delays through bus lanes and junction improvements, along with an enhanced active travel route.

- **Dearne Valley Corridor**

This corridor forms a key employment area that straddles Barnsley, Doncaster and Rotherham and the area is earmarked for further local investment to unlock 2,000 new jobs and 6,000 new homes in the next five years. At its western edge, it also includes the A61 north from Barnsley towards Leeds, complementing the inclusion of the A61 corridor in West Yorkshire Combined Authority's TCF bid. Whilst the corridor has good north-south rail connectivity, bus services provide the main form of public transport in the absence of a direct heavy rail link between Barnsley and Doncaster. However, the corridor suffers from poor connectivity driven by a dispersed settlement pattern, and this limits the ability of residents to access a number of the planned employment sites. Key elements of this package include the following.

- Addressing a location of existing public transport delays on the A61 Wakefield Road, Barnsley by a combination of bus lanes and junction improvements, linked to complementary corridor proposals in the Leeds City Region, along with active travel improvements along the corridor.
- Bus Rapid Transit between Barnsley and Doncaster – connecting the only remaining two main urban centres in the SCR which do not have a high quality public transport link, via the housing and employment growth area in the Dearne Valley.
- Addressing locations of existing public transport delays on the A630 corridor by providing bus priority measures.
- Improved access between Mexborough town centre and the rail station.
- Rail station (and station access) improvements across the corridor, including the access to/from the stations and improvements to facilities improved signing and information, accessible bench seating, CCTV and lighting enhancements.
- Connecting the housing and employment growth area in the Dearne Valley to the urban centre of Barnsley by providing improvements for active travel modes.
- Connecting the housing and employment growth area in the Dearne Valley to the urban centre of Rotherham by providing improvements for active travel modes.

- Addressing locations of existing public transport delays around the Parkgate Retail Park by providing a new access into the site, as well as a new 300 space park and ride site for the tram-train terminus.
- **AMID Corridor**
This corridor connects Sheffield and Rotherham and is an employment growth area which is now home to high profile employers and is also estimated to deliver a significant number of 3,900 new houses at Waverley. However, much of the AMID is within the city-wide AQMA in Sheffield and Clean Air Zone (CAZ) covering Rotherham and Sheffield and there is regular congestion on the network around the M1 and along the A630/A57 Sheffield Parkway route, partly as a result of the lack of effective public transport connections to the new areas of employment within the AMID. Congestion is also notable around the Inner Ring Road in Sheffield, and on the radial routes to the west and south of the City, where bus services are often delayed on these corridors at peak times.
 - Addressing locations where existing public transport delays limit access to employment opportunities including Sheffield city centre, AMID and Rotherham.
 - Promoting active travel use for accessing employment opportunities in Sheffield city centre, AMID and Rotherham
 - Providing a new station on the tram-train network at Magna, with associated park and ride facilities.
 - Encouraging active travel use to access the employment opportunities in the main urban centre of Sheffield from Kelham/Pitsmoor and Burngreave.
 - Darnall station improvements – including improving access to, and facilities within, the station
 - A trial of low emission buses to reduce emissions within the CAZ and/or some of the existing AQMAs.

2.4 Whilst the aim has been to collate a package of schemes which meet both DfT's criteria and our own local objectives, the Project Board has also sought to ensure an appropriate allocation for each of the three corridors commensurate with the scale of challenges and opportunity identified. The DfT are expecting an evidence-led allocation per corridor, rather than weighting based upon local or political priority. As such the packages proposed are consistent with the priorities set out in the adopted SCR Transport Strategy.

2.5 We are working towards three funding scenarios as requested by DfT – these are labelled 'Low', 'Medium' and 'High'. This enables Government to flex the amount each area can receive depending on the strength of each submission and the competitiveness of the fund. The 'Low' funding scenario is based upon how Government allocated the pro-rata funding directly to each of the other 6 Mayoral Combined Authorities.

2.6 The current totals being sought from the TCF over a four-year period are as follows:

- Low - £180 million
- Medium - £200 million
- High - £220 million.

The 'High' funding scenario total is split across the three corridors is as follows:

- River Don - £48 million
- Dearne Valley - £73 million
- AMID - £99 million.

All of the values include for 5% inflation across the funding period and 10% for risk.

- 2.7** Although there is no minimum expectation level of a local contribution, it is understood that bids with a higher level of contribution will be better received. As such, we are planning on securing 15% of the whole programme level - being in line with other DfT funding competitions. Opportunities to secure this level of local contribution will be explored following initial feedback from the DfT on the draft business case and before submission of the final business case in November 2019.
- 2.8** Based upon this funding and package framework set out in this report, the intention is that the draft business case is finalised by the Project Board prior to the 20th June 2019 deadline. Following submission, DfT will continue to work with SCR and partners to finalise the business case. This may involve some changes to the packages outlined here depending upon the feedback received. The MCA will be asked to approve the final business case prior to submission in November 2019.
- 2.9** As part of a parallel process to the main TCF, DfT have launched a call for expressions of interest to establish Future Mobility Zones and have earmarked £90 million of funding. The zones will be part of TCF and will demonstrate a range of new mobility services, modes and models. They will focus on trialing new technologies and innovative models in a specific geographical location to provide a template to allow successful initiatives to be replicated in other areas. Due to the short deadline, SCR have submitted an outline proposal which aims to use new and emerging mobility models to link AMID to the existing mass transit network. This will seek to build upon the sustainable modes and infrastructure investments within the main TCF and local large majors programmes with the intent of achieving a step change in connectivity across the city region linking communities (locally and regionally) with opportunities (jobs and re-skilling) that are clustered at AMID and other growth centres. Subject to the success of the outline proposal, further work will be conducted with partners prior to a further report coming to the MCA on the detail of any mobility zone programme.

3. Consideration of alternative approaches

- 3.1** Option 1: Increase the total value of the business case submission
The submission will contain a 'Low', 'Medium' and 'High' funding scenario. It is possible to increase the total value in all three scenarios, however following discussions with DfT this is not recommended based upon the highly competitive process expected. The figures presented propose a pragmatic but ambitious range of schemes.
- 3.2** Option 2: Decrease the total value of the business case submission
As above, reducing the total amount requested may also have the impact of negatively affecting the chances of success i.e. due to the competitiveness of the process, DfT may use it as an opportunity award less funding if presented with a viable opportunity to do so.

4. Implications

4.1 Financial

The costs of developing the outline business case have been managed from within existing resources.

As noted in paragraph 2.7, further work will be undertaken in consultation with DfT to determine the level of local contribution required, and this will be carefully considered in the process of developing the final business case.

4.2 Legal

No specific legal implications at this stage of the process.

4.3 Risk Management

Consistent with the development of a five-case business case, a risk analysis will be produced which will highlight both global programme risks and individual project risks. This will be produced by the Project Board.

4.4 Equality, Diversity and Social Inclusion

The SCR Transport Strategy includes an Equalities Impact Assessment as part of the Integrated Assessment. It is expected that equalities and diversity issues will be considered in the delivery of schemes in each package.

5. Communications

5.1 The Transforming Cities Fund has already attracted a substantial level of media interest, and it is therefore advised that a proactive approach to communications is taken in this case. A media statement will be issued following the MCA meeting, and updates shared online and on social media.

6. Appendices/Annexes

6.1 Annex 1: TCF Programme Map

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: