

## Transport and the Environment Board

16 December 2021

### City Region Sustainable Transport Settlement

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<b>Is the paper exempt from the press and public?</b>	No
<b>Purpose of this report:</b>	Discussion
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	Not a Key Decision

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**Director Approving Submission of the Report:**

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**Executive Summary**

This report presents an update on the status of the City Region Sustainable Transport Settlement (CRSTS) and the next steps needed to meet Department for Transport (DfT) requirements.

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

The CRSTS settlement will provide the vast majority of local transport funding for SYMCA for the next five years and therefore is essential in delivering an efficient and effective transport system and networks to enable reliable movement of people and goods around the region for all purposes.

**Recommendations**

The Board are asked to note progress on the work required to take forward the CRSTS submission including the requirement to seek further information from all project sponsors and for completion of this within short timescales.

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

None

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## 1. Background

- 1.1 The Government Spending Review included announcements regarding a number of transport funding streams for SYMCA, including the CRSTS provisional award of £570m for the five-year settlement period April 2022 to March 2027.
- 1.2 Following the award announcement the Mayoral Combined Authority (MCA) Executive Team has met with Treasury (HMT) and DfT on a number of occasions to discuss next stage requirements. SYMCA is now required to submit a programme level Business Case by mid-January 2022 before the award is formally confirmed in March.

## 2. Key Issues

- 2.1 As previously advised to Board, the total CRSTS bid submitted by SYMCA to DfT was £660m. We were also required to submit a lower bound proposal for £400m. The award of £570m was therefore a very positive outcome. This provisional allocation was announced as part of the Government Spending Review and a programme level Business Case - based on the £570m allocation – is now required for assessment by HMT and DfT.
- 2.2 This advice has now been confirmed in writing through a letter from the Secretary of State for Transport to Mayor Jarvis. The letter re-confirmed the level of allocation and outlined DfT expectations for the business case submission process and programme content.
- 2.3 DfT have identified some conditions and specific projects that will be scrutinised in more detail within the business case process. Additionally, individual scheme sign off from DfT will be required for any schemes with a value greater than £50m, anything with a delivery period extending beyond March 2027 and any scheme that potentially carries a revenue risk to the department or other Government funded sources. They have also named schemes within the South Yorkshire programme for which they will require further justification. These are primarily the larger road-based and rail schemes with concerns being centred around the fit with Government's programme objectives of sustainable transport and also future demand for some of the schemes. The scheme sponsors are supporting further development work.
- 2.4 The CRSTS guidance also clearly indicates that Mayors of recipient MCA's will be held far more accountable for performance against these funds and be required to publish delivery progress. It is also expected that a 'Leaderboard of MCA performance' will be produced to further demonstrate Authority standards. This further emphasises the importance of setting deliverable and achievable project targets when setting out the profile and forecast for the programme.
- 2.5 The immediate task ahead is to complete the business case process. The document will need to be based around the DfT standard five case model and there will be specific interest from DfT and HMT in the financial and economic cases. Although described as a programme level business case the informal

verbal guidance also indicates that a degree of project specific detail will be required.

- 2.6 DfT and HMT have arranged a workshop with SYMCA Executive Officers on December 17<sup>th</sup>. This will be an opportunity to scrutinise the planned programme further and for the MCA to resolve any concerns DfT and HMT may have.

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

Complete the business case submission in line with DfT expectations and requirements, using the prospectus already submitted to DfT as the starting point, supplemented by additional project details.

#### **3.2 Option 1 Risks and Mitigations**

Timescales are very tight and completing the business case to the necessary standard will require considerable resource commitment. The scale of task will be managed by making as much use of existing information from the range of documentation drawn together when preparing the original document.

#### **3.3 Option 2**

Alternative options are limited, completion of the business case process for CRSTS is mandatory and to not engage with this would put the settlement at risk.

#### **3.4 Option 2 Risks and Mitigation**

Weekly meetings have been scheduled with DfT and HMT to work through the submission process to ensure that this is facilitated as effectively as possible.

### **4. Consultation on Proposal**

- 4.1 All the partner organisations have already been engaged in the business case process and next step requirements reported to MCA Chief Executives.

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

- 5.1 The deadline for submission to DfT is January 17<sup>th</sup>, to enable the most robust representation at the workshop and allow time for any subsequent update the intention is to have the work substantially complete by December 17<sup>th</sup>. The award will be confirmed in March, with the programme due to be implemented from April.

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

- 6.1 Additional guidance on the information we are expected to provide for the financial case as part of the programme-level business case has been provided and is currently being prepared.

### **7. Legal Implications and Advice**

- 7.1 None arising immediately from the report. Moving forward appropriate funding agreements with project sponsors will be put in place. Any direct delivery will be procured in accordance with the MCA's Contract Procedure Rules

**8. Human Resources Implications and Advice**

8.1 Not applicable.

**9. Equality and Diversity Implications and Advice**

9.1 Equality, Diversity and Social Inclusion has been actively considered in the design of all projects within the proposed CRSTS programme and will continue to be through the assurance process.

**10. Climate Change Implications and Advice**

10.1 DfT's carbon reduction requirements will be recognised within all scheme design and the Net Zero Project Director will be consulted in the completion of the business case.

**11. Information and Communication Technology Implications and Advice**

11.1 Not applicable

**12. Communications and Marketing Implications and Advice**

12.1 Not applicable

**List of Appendices Included**

N/A