

Transport and the Environment Board

16 December 2021

Programme Performance Report

Is the paper exempt from the press and public?	No
Purpose of this report:	Monitoring/Assurance
Is this a Key Decision?	No
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):
Sue Sykes – Assistant Director – Programme and Performance Unit
Click or tap here to enter email address of Author 1

Executive Summary

This report provides the Board with the latest performance information on Transport and Environment capital programmes being delivered on behalf of the MCA. The report is intended to support oversight and scrutiny.

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

The MCA's investment in South Yorkshire's travel and transport infrastructure is critical to delivering upon the region's broader aspirations. Performance information supports the robust oversight and management of this delivery.

Recommendations

That Board members:

- Consider the performance information provided to identify future performance deep-dives or significant areas of risk;

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

None

1. Background

- 1.1 The South Yorkshire Mayoral Combined Authority currently has fifty-four projects which fall within the remit of the Transport Skills and Environment Board. The schemes are resourced from various funding streams with an aggregate value of £235.47m.

This report gives an overview on the performance of programmes and the projects within them, highlighting management actions being taken to mitigate risks.

- 1.2 The expenditure baseline for 21/22 was initially set at £102.51m with the latest forecasts suggesting outturn expenditure of £58.27m. This level of expenditure will generate a material underspend of £44.24m (43%).
- 1.3 Of this value £24.89m (56%) is funded from conditional government grant, and consents will likely be required to roll-forward funding unspent at the year-end to future periods.

2. Current Position by Funding Stream

- 2.1 The table presented below highlights the forecast full-year expenditure profiles set against the baseline targets. The table highlights underspend across the funded programmes of activity, cumulatively totalling £44.24m:

Funding Stream	2021/22 Baseline	2021/22 Forecast	2021/22 Variance
	£m	£m	£m
Getting Building Fund (GBF)	£17.35	£9.01	-£8.34
Active Travel 2 (ATF2)	£7.34	£2.00	-£5.34
Transforming Cities Fund 2 (TCF2)	£47.53	£36.32	-£11.21
Legacy LGF incl. Retained Major	£27.10	£7.75	-£19.35
Gainshare	£3.19	£3.19	-
	£102.51	£58.27	-£44.24

The table below highlights that of the forecast full-year expenditure, claims totalling only 3% of the forecast have to-date been received, processed, and paid:

Funding Stream	2021/22 Forecast	2021/22 Claims	2021/22 Claims
	£m	£m	%
ATF2	£2.00	£0.08	4.00%
Legacy LGF incl Retained Major	£7.75	£0.00	0.00%
GBF	£9.01	£1.51	16.76%
TCF2	£36.32	£0.15	0.41%
Gainshare	£3.19	£0.00	0.00%
	£58.27	£1.74	2.99%

The GBF, TCF and ATF2 baseline targets are set by government, requiring in-year allocations to be fully defrayed within the financial year. There is no comparative grant conditionality timeline pressure on Gainshare funding, the legacy LGF activity, nor the Retained Major funding for the Parkway widening scheme.

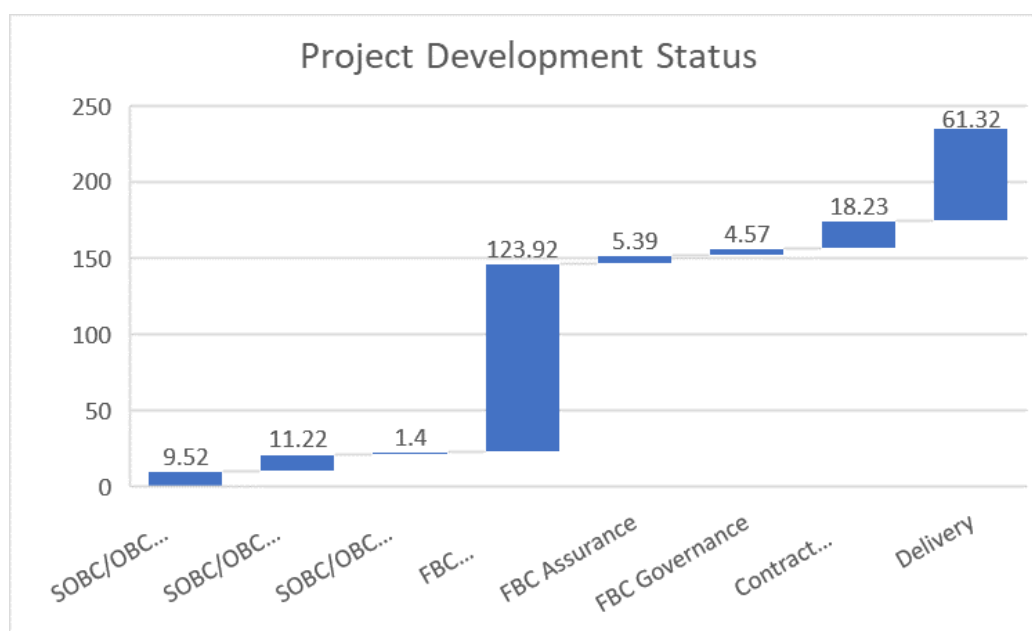
The pace of the capital programme in this thematic area has been reported as a concern throughout the year, with performance now likely to be beyond complete mitigation in a number of areas.

Of particular concern is the underspend now likely to accrue on the Getting Building Fund programme where underspend is reported across all delivery partners, largely reflecting both the challenging timetable and known pressures across the supply chain and labour market.

The MCA continues to enjoy good collaboration from partners, with mitigations being considered across a number of projects. The MCA also continues to work with Government to identify compliant flexibilities that could be applied to support the delivery of the projects in full.

2.2 Development Status of Projects

2.3 The graphic below exemplifies the milestone status of projects by value. The graphic reflects to the full £235.47m thematic portfolio. Viewing information in this format supports scrutiny of the full programme from end-to-end rather than simply monitoring in-year expenditure. The graphic highlights that only c. 11% of the portfolio is in delivery with the weight of schemes now in FBC development:



2.4 The weighting of activity at FBC development supports forecasting that there will be a significant number of schemes entering into delivery in the final quarter of the year, with a significant amount of expenditure set to be incurred in the new financial year. Concern remains around the c. £22m of schemes that remain in early stages of their development.

2.5 Concerns around the region's ability to deliver all its TCF2 activity by March 2023 now appear to be abating as the final tranche of TCF funding (£72m) is rolled into the new five-year City Region Sustainable Funding Settlement. This change is expected to give the delivery bodies a longer timeframe over which to deliver on projects.

3. Management Actions

- 3.1 Close monitoring is on-going and full programme reviews, where they have not already commenced, will be undertaken. This will reaffirm delivery status and inform remedial actions required to address risk.
- 3.2 The MCA is proactively engaging Government on the status of the programmes, seeking flexibilities where they may be available.

4. Consultation on Proposal

- 4.1 Project sponsors are 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 Updates to the Board will continue to be made throughout the year

6. Financial and Procurement Implications and Advice

- 6.1 This report notes the slower than forecast pace of the TEB capital schemes. The report notes the potential implications for funding. The report further notes the work being undertaken within the MCA with local partners and national government to mitigate this risk.

7. Legal Implications and Advice

- 7.1 The funding agreement for the schemes provide that any failure to make adequate progress against the spend profile identified may result in the reduction or withdrawal of further funding

8. Human Resources Implications and Advice

- 8.1 None

9. Equality and Diversity Implications and Advice

- 9.1 None

10. Climate Change Implications and Advice

- 10.1 None

11. Information and Communication Technology Implications and Advice

- 11.1 None

12. Communications and Marketing Implications and Advice

12.1 None

List of Appendices Included

None

Background Papers

None