

SCR - TRANSPORT BOARD

MINUTES OF THE MEETING HELD ON:

FRIDAY, 10 JANUARY 2020 AT 10.00 AM

11 BROAD STREET WEST, SHEFFIELD S1 2BQ



Present:

Councillor Chris Read (Vice-Chair)	Rotherham MBC
Councillor Dave Leech	Barnsley MBC
Councillor Joe Blackham	Doncaster MBC
Councillor Abdul Khayum	Sheffield City Council
Stephen Edwards	SYPTTE
Peter Kennan	Private Sector LEP Board Member
Mark Lynam	SCR Executive Team
Councillor Chris Furness	Representing Non-Constituent Members
Matthew Gladstone (Reserve)	Barnsley MBC

In Attendance:

Steve Davenport	Principal Solicitor & Monitoring Officer	SCR/SYPTTE
Jenny Holmes	Interim Assistant Director for Strategic Transport	SCR Executive Team
Jo Kaczmarek	Bus Review Secretariat	SCR Executive Team
Mike Thomas	Senior Finance Manager	SCR Executive Team
David Whitley	Senior Programme Manager Transport, Infrastructure & Housing	Sheffield City Region
Pete Zanzottera	Active Travel Project Director	SCR Executive Team
Charli Taylor	Projects & Contracts Team Leader	SCR Executive Team
Dame Sarah Storey	Active Travel Commissioner	SCR Mayoral Combined Authority
Clive Betts MP		Independent Chair of the Bus Review
Gillian Richards (Minute Taker)		

Apologies:

Mayor Dan Jarvis MBE	SCR Mayoral Combined Authority
Alison Kinna	Private Sector LEP Board Member
Sarah Norman	Barnsley MBC

1 Welcome and Apologies

In the absence of the Chair, the Vice-Chair, Cllr Chris Read took the chair and welcomed everyone to the meeting.

Apologies were noted as above.

2 **Declarations of Interest by individual Members in relation to any item of business on the agenda**

None.

3 **Urgent items / Announcements**

None.

4 **Public Questions of Key Decisions**

J Holmes informed the Board that a public question had been received which was the first public question received by a thematic board since the introduction of the new governance arrangements.

The question was from the Campaign to Protect Rural England and Friends of the Peak District and concerned the A628 trunk road between Manchester and Sheffield.

M Lynam stressed the need for SCR to be able to make the right decisions in the context of the climate emergency. SCR would undertake work to look at how evaluation of transport schemes will need to change in the future.

D Whitley provided an overview of the project to date.

It was agreed that officers would draft a response to the question in consultation with Vice Chair, Chris Read and Peter Kennan, LEP Board member.

5 **Minutes of the Previous Meeting**

Cllr Furness queried why he was listed as 'guest in attendance' rather than 'present' in the minutes.

S Davenport replied that it concerned the status of Non-Constituent members on the Thematic Boards. A letter would be sent to clarify the position.

RESOLVED – That the minutes of the meeting of the Board held on 25th October 2019 be agreed as a true record.

6 **Proposed 2020/21 South Yorkshire Transport Revenue Budget**

A report was considered which sought endorsement from the Transport Board to submit the 2020/21 South Yorkshire Transport Revenue Budget to the MCA for approval.

The paper presented the proposed 2020/21 budget (which comprised the net expenditure of SYPTE and the transport related costs managed directly by the Mayoral Combined Authority) and set out some of the current and future challenges.

The Board was informed that during consultation with local authority leaders,

the possibility of leaving the Levy at 2019/20 level was discussed. Three options for that funding, not included within the detailed budget, were identified within the report. Members of the Transport Board were asked to consider which of the options should be recommended to the MCA for approval.

Members were reminded that since April 2010, the annual levy had been reduced by £40.3m (42.5%) in the context of significant budget challenges faced by the constituent Authorities. To achieve the levy reductions, SYPTE had cut costs and was now a smaller organisation in both scale and scope of activity.

Over the same period, patronage on bus and trams had faced steady decline. Operators had been responding by cutting services along unprofitable routes and seeking greater reimbursement rates for concessionary fares. This had inevitably put greater pressure on the bus tendered services budget. Further uncertainty had been created when First Group was put up for sale.

A summary of the draft 2020/21 Budget compared to the current year budget was provided at Appendix A and identified the changes between years.

The report detailed the major changes, the impact on the budget and the ongoing challenges to future SYPTE budgets. These included:

- ENCT concessions
- Child concessions
- Tendered services

With regard to the medium-term outlook, Members were informed that 2020/21 was the final year of the current Medium Term Financial Strategy. The implementation of the planned levy reduction of 2% on each authority was detailed within the report.

It was noted that work needed to start early in 2020 to develop the strategy for the next 5 years recognising the increasing pressures on the SYPTE revenue budget and demands of bus service provision.

Members were reminded that a Levy Reduction Reserve was created several years ago to help manage the transition to a balanced budget position through peak debt periods.

Appendix B included forecasts for the next 5 years, which were indicative and subject to further work. The assumptions used were based on what was the current scenario for SYPTE expenditure in the future without the impact of the challenges described above. If the strategy was to reduce in 2020/21 with no further increases then, even with this favourable outlook, the Levy Reserve would be completely utilised by 2024.

The Board discussed the situation in detail, noting that all the local authorities were sighted on the issues, which were still under consideration, and had slightly differing opinions on the proposals.

In answer to a question from a Member, S Edwards reported that First Group

had sought to delay the sale process. They were running a trial system in Glasgow which specifically worked on the timetable schedule and had seemed to show significant improvements and was beneficial financially. If successful, this could have a material financial impact across the whole group.

Although recognising that the question was not significant for the Board or the agenda item, Cllr Furness questioned why, after work had been completed, there was no shelter and no seating at the bus stop outside H & M in Sheffield.

Action: S Edwards to provide an answer to the above question.

RESOLVED – That the Board:

- (i) Note the South Yorkshire Transport Revenue Budget Report.
- (ii) Had discussed the recommendation to retain the Levy at 2019/20 levels but had not taken a view on this and referred the matter to the MCA.
- (iii) Had considered the three options presented on how to use the funding, but had not taken a view and referred the matter to the MCA.

7 Proposed 2020/21 South Yorkshire Transport Capital Programme

A report was submitted that presented the proposed 2020/21 South Yorkshire Transport Capital Programme including indicative figures for the following 4 years – 2021-25.

Members noted that the Capital Programme included projects managed by the SYPTE as well as programmes commissioned by the MCA as the accountable body for central government grants.

It was noted that there were no new scheme proposals within the proposed capital programme that would have an impact on the revenue budget due to the costs of borrowing required to fund such schemes.

It was proposed to invest £60.1m in the South Yorkshire Transport Capital Programme in 2020/21 which was summarised in a table within the report. Taking into account the indicative figures for the 4 years to 2025, the total investment would reach £273.3m, on the assumption that the MCA's bid in November 2018 for Tranche 2 of the Transforming Cities Fund (TCF) would be successful.

If the outcome of the bid differed from what had been assumed, a report seeking approval to vary the programme would be submitted to the next available MCA meeting.

A breakdown of each project within the proposed SYPTE capital programme was shown in Appendix B, totalling £19.9m. Within SYPTE's element of the overall programme was the Mass Transit post-OBC scheme. A separate report on this scheme would be on the agenda for the MCA in January. The latest estimated cost for 2020/21 of continuing to develop the scheme after the OBC had been submitted was c£2.5m, of which the DfT had already committed

to fund £1m, thus underlining the Department's confidence that the scheme would gain programme entry.

The report also contained information on Highways Capital Maintenance and the Integrated Transport Block, programme details were contained in appendices to the report.

M Thomas confirmed that the Mass Transit scheme would be considered by Directors of Finance in January.

RESOLVED – That the Board:

- i. Note the contents of the proposed 2020/21 South Yorkshire Transport Capital Programme.
- ii. Endorse the proposed Capital Programme for onward approval by the MCA.

8 **Transforming Cities Fund - Organising for Delivery**

The Board considered a report which set out how the City Region intended to work with scheme sponsors to deliver the Transforming Cities Fund programme by March 2023.

The Board were informed that the Strategic Outline Business Case (SOBC) had been submitted to the DfT on 27th November 2019; a decision was expected before March 2020.

The report looked at two programme level risks that had been identified that could be constraints on the ability to deliver the programme on time and budget. The risks related to the availability of resources to deliver the programme (both internal and external) and funding scheme development costs. The report also considered project leads and how projects would be approved.

The final SCR TCF SOBC included three funding scenarios for capital programmes that need to be delivered over the four years to March 2023. The final values were:

- Low - £185 million
- Medium - £200 million
- High - £229 million

The capital programme in the SOBC was made up of specific schemes and an estimate of funding required to develop them. The development of a capital scheme business case was a three-stage process that could involve significant costs.

SCR partners were seeking an improved ability to 'cash flow' project development costs through SCR allowing partners to recoup their expenditure earlier than they can at present.

In order to support delivery partners straight away, it was recommended that funding should be released earlier than at present – with 2% of the total scheme cost being used as a rate to facilitate the development of the OBC. Following approval of the OBC it was proposed that additional funding should be released to assist with final scheme development of the full Business Case.

Secondly the report proposes that the OBC would be the primary appraisal and decision making point, the OBC would then be approved by the MCA. The primary purpose of an FBC should be to confirm the schemes costs and delivery approach and the report proposes that the FBC should be approved by a Statutory Officer within the Executive Team, in consultation with the Chair of the Transport Board.

D Whitley confirmed that the liability for repaying revenue expenditure against capital projects that did not come to fruition would rest with the scheme developer, in this case the Local Authority or PTE.

S Edwards asked whether partners were considering pooling resources to avoid competing for scarce resources.

RESOLVED – That the Board:

- i. Note the scale of the investment and timescales associated with the Transforming Cities Fund.
- ii. Note the ongoing work highlighted in section 2 of the report that would enable SCR to offer appropriate leadership and support to partners to help ensure successful scheme delivery.
- iii. Recommend to the MCA a new approach to help ensure earlier release of scheme development funds (as set out in section 2.14 of the report), noting that this included changes to the current levels of delegated responsibility.
- iv. Recommend to the MCA a revised approach to approving different stages of business case development, noting that this included changes to delegated responsibility as set out in sections 2.15 and 2.16 of the report.

9

Active Travel update

A report was submitted which provided an update on the work of the Active Travel Programme, led by Dame Sarah Storey.

The Board were informed that the Active Travel Commissioner had joined with other commissioners in calling for the government to provide continuous funding for Active Travel. The Transforming Cities Fund bid had recently been submitted which contained a work programme of up to £130m of Active Travel schemes up to 2023.

Work had been progressing to develop a region-wide active travel network that conveyed the extent of the infrastructure provision required to enable a

significant increase in walking and cycling by 2040.

The transport team were preparing the Active Travel Implementation Plan that would be used to deliver the policies and goals set out in the SCR Transport Strategy.

The programme had been informed by the work of Chris Boardman's team in Manchester, and his advisor, Brian Deegan, had been contracted to hold a series of workshops, one in each authority. The work had helped to produce a draft active travel network for the whole of South Yorkshire which was currently being refined.

The Network would be developed, in stages, between now and 2040, the first phase would be developed through the Transforming Cities Fund.

Dame Sarah Storey delivered a presentation setting out her vision including the importance of Low Traffic Neighbourhoods and accessibility.

Low traffic neighbourhoods are areas where interventions restrict the use of cars meaning a safer environment for pedestrians and cyclists.

The Commissioner had visited Waltham Forest in London where the construction of Low Traffic Neighbourhoods had lowered vehicle use and ownership and increased the levels of walking and cycling.

Pavement parking had been banned and residents parking areas created, cycle shelters had also been constructed outside houses. End-of-street closures had been implemented to create community spaces and passageways had been cleaned and lit to provide safe, easy access throughout the neighbourhood.

As a result of these measures, changes in driver behaviour had been observed, as more pedestrians were using the area local businesses were rejuvenated and residents had started to take more pride in their neighbourhood.

The plan therefore would look at creating Low Traffic Neighbourhoods, alongside the existing TCF schemes, to help reduce the number of vehicles and to create more space for walking and cycling and public transport enhancements on main roads.

The active travel plan would therefore include a linked-up network of:

- Low traffic neighbourhoods
- Segregated cycle facilities on busy roads
- Footway improvements
- Off-road network improvements
- Crossings for active travellers
- Major infrastructure such as active travel bridges.

Dame Sarah highlighted that poorer neighbourhoods are set to benefit from the Low Traffic Neighbourhoods approach, often residents have fewer cars but are disproportionately affected by non-residents passing through or parking.

P Kennan raised the challenge of engaging the business community. P Zanzottera suggested there are best practice examples such as HSBC in Sheffield and confirmed that the revenue funding we are seeking from government would in part be invested in business advisory services to support active travel choices.

M Lynam reminded the Board that final Active Travel Implementation Plan will be received by the Board at the next meeting.

The Chair thanked Dame Sarah Storey for an interesting and informative presentation.

RESOLVED – That the report be noted.

10 **Bus Review - Emerging Findings**

The Board considered a report which provided an update on the progress in undertaking the Mayoral Bus Review, led by Clive Betts, MP.

Members were informed that the Bus Review had progressed swiftly since it was commissioned in March 2019, despite some delay caused by political events. The review had examined the challenges in the current bus transport system and the opportunities for improvement.

It was intended that the review would provide the Mayor with an independent assessment of:

- The current condition of the commercial bus and community transport sector in South Yorkshire, including the reasons for the decline in registered bus services and bus passenger numbers.
- The social, environmental and economic impacts of this decline; and
- The steps which should be taken to ensure commercial bus and community transport services meet the needs of South Yorkshire residents.

Members noted that a public survey had been launched in May 2019 and had received over 6,000 responses from both bus users and non-bus users.

A significant amount of stakeholder engagement had been carried out, including visits to other bus companies, meeting with representative organisations and holding community focus group sessions.

In July the Panel invited written submissions from people and organisations who would be able to provide more formal evidence to the review's key lines of enquiry. Those who responded, including SYPTE, bus operators, Transport for London and trade unions, were then invited to discuss their submission in more detail at an evidence session in October 2019.

The Board were informed that four key challenges for the bus system had emerged through the evidence gathered:

1. The network faced significant bus reliability and frequency challenges which damage the quality of service and discourages new customers.

2. In some parts of South Yorkshire, particularly more rural communities, there was inadequate connectivity between bus routes and with other modes of transport.
3. From a customer perspective, the system was overly complicated and difficult to navigate. This included inconsistent provision of information and complex ticketing and fare structures.
4. There was an inconsistent quality of network between the different areas including quality of vehicles, provision of information and standard of infrastructure.

The Board noted that the Panel were due to meet with the Mayor in early January 2020 to discuss emerging findings. This would be followed by testing the findings with stakeholders, including local authorities.

In March 2020 a report would be submitted to the Mayor and shared with the Combined Authority.

RESOLVED – That the report be noted.

11 **Performance Dashboards**

11a **SYLTE Dashboard**

A report was submitted which provided a summary of key performance areas and operational issues within SYLTE's areas of activity.

RESOLVED – That the report be noted.

11b **SCR Dashboard**

A report and accompanying performance dashboards were submitted to provide Board members with current performance information on transport programmes delivered by the SCR Executive on behalf of the LEP and MCA.

Performance dashboards for the following programmes were attached for the Board to review. These were:

- Transforming Cities Fund
- Access Fund for Sustainable Travel
- Local Growth Fund
- SCR Borrowing
- Transport Activity

RESOLVED – That the report be noted.

12 **Any Other Business**

J Holmes updated the Board on the opportunity for Local Authorities to submit Local Pinch Point Fund bids to the Department for Transport. At the request of the Department bids would be coordinated and submitted by the SCR MCA.

It was proposed that at future meeting Members would receive a summary of topical transport issues and announcements.

In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions need to be ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board. Accordingly, the undersigned has consulted with the Chair and hereby ratifies the decisions set out in the above minutes.

Signed

Name

Position

Date