

3rd July 2020

Transforming Cities Fund Tranche 2 Approvals

Purpose of Report

This paper seeks approval to release scheme development costs for 28 schemes with a total value of £2.94m and seeks delegated authority to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

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

This paper will be available under the Combined Authority Publication Scheme.

Recommendations

Members are asked to consider and approve:

- 1) Release of scheme development costs between £8k and £335k for 28 schemes, totalling £2.94m, to the 4 Local Authorities and the South Yorkshire Passenger Transport Executive ('SYPTe'); and
- 2) Delegated authority be given to the Head of Paid Service in consultation with the s73 and Monitoring Officer to enter into legal agreements for the schemes covered in 1) above.

1. Introduction

- 1.1 On 11th March 2020 the Department for Transport ('DfT') announced that Sheffield City Region had been awarded £166m to deliver a series of active travel and public transport schemes. On 1st June 2020 the Mayoral Combined Authority ('MCA') agreed, as a decision under urgency provisions, to accept the grant and approve a new approach to enable release of scheme development costs in advance of full approval.
- 1.2 In recognition of the risks associated with developing and delivering a programme of this size it was agreed that scheme development costs would be released at 2 stages prior to full approval -
 - Stage 1 - release up to 2% of the total scheme cost, as included in the Strategic Outline Business Case, to facilitate the development of the Outline Business Case ('OBC'); and
 - Stage 2 - release costs of around 10% of the total scheme cost, based on a costed fee plan, following approval of the OBC to facilitate the development of the Full Business Case.

- 1.3 The SCR Assurance Framework establishes that release of grant funding will be presented for approval to the relevant Executive Board, in line with their agreed delegation levels, and be noted at the MCA in a delegated decisions paper.

This paper requests release of stage 1 scheme development costs of between £8k and £335k per scheme, totalling £2.94m for 28 schemes. The schemes are summarised in section 2 below and detailed in Appendix 1.

2. Proposal and justification

- 2.1 For the stage 1 approvals, 59 individual interventions are grouped within 28 schemes. The stage 1 scheme development costs are based on 2% of the total scheme value as included within the agreed bid to DfT. The schemes are summarised as -

Scheme	Scheme Promoter	Scheme Development Costs
A61 Public Transport	SYPTTE	£ 269,340.94
A61 Active Travel	BMBC	£ 92,737.00
A6178	RMBC	£ 111,400.00
A631	RMBC	£ 45,000.00
Abbeydale/ Ecclesall	SCC	£ 76,260.00
AMID	RMBC	£ 30,000.00
AMID (SCC)	SCC	£ 334,900.00
Barnsley Town Centre	BMBC	£ 50,000.00
BMBC Station Access	BMBC	£ 11,077.12
BRT (N)	SYPTTE	£ 178,450.00
A635	BMBC	£ 42,722.00
A630 Bus Improvements	SYPTTE	£ 32,000.00
Barnsley - Doncaster Quality Bus Corridor South	DMBC	£ 77,700.00
City Centre Cycling/ Cross City Bus	SCC	£ 186,680.00
DMBC Station Access	DMBC	£ 105,942.00
Doncaster Urban Centre	DMBC	£ 113,200.00
Don-DSA/ Iport	SYPTTE	£ 112,965.82
Kelham	SCC	£ 188,360.00
M18 J3	DMBC	£ 99,000.00
Magna Tram train	SYPTTE	£ 108,000.00
Manvers Way	RMBC	£ 8,000.00
Nether Edge Wedge	SCC	£ 158,303.22
Parkgate	SYPTTE	£ 231,050.00
Doncaster Road, Dalton	RMBC	£ 24,000.00
Rotherham Town Centre	RMBC	£ 28,000.00
Rail Station Improvements	SYPTTE	£ 69,039.18
Unity	DMBC	£ 82,620.00
Zero emissions	SYPTTE	£ 82,528.73
Total		£ 2,949,276.01

- 2.2 The 28 schemes include -

- 13 interventions focused on active travel activity;
- 12 interventions focused on public transport activity; and
- 3 interventions that have a mixture of active travel and public transport activity.

- 2.3 Scheme development costs for stage 1 will be claimed by scheme promoters upon defrayal, and in accordance with the SCR Assurance Framework.

3. Consideration of alternative approaches

- 3.1 No early release of scheme development costs – Schemes may progress at a slower pace or not at all given the volume that each scheme promoter is currently developing, and the funding may be lost to the region. This approach is therefore not recommended.
- 3.2 Scheme development costs to be paid at approval of OBC only – There is a residual risk that scheme promoters will struggle to develop schemes to OBC approval without earlier release of a proportion of the grant. This approach is therefore not recommended.

4. Implications

4.1 Financial

The acceptance of the £166m has been approved by the MCA.

A business case is developed with the risk that the scheme may not proceed. If this risk materialises the scheme development costs will require repayment in full to the MCA by the scheme promoter.

4.2 Legal

The legal implications of each scheme have been fully considered by a representative of the Monitoring Officer, with the legal agreement inclusive of all DfT grant conditions.

4.3 Risk Management

Risks and issues management will be reported to the SCR Executive Team as part of contract monitoring. There are risks of non-delivery due to resourcing constraints and/or shortages of required materials. Reallocation of resources to other programmes could risk slowing down progress on the schemes included within this paper.

4.4 Equality, Diversity and Social Inclusion

The principles of equality, diversity and social inclusion are built into the approval process and continue to be considered and addressed.

5. Communications

- 5.1 The approval of the schemes presents an opportunity for positive communications; officers from the SCR Executive Team will work with the relevant local authority officers on joint communications activity.

6. Appendices/Annexes

- 6.1 Appendix 1 – Stage 1 Scheme Development Costs

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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