



**Author/Lead Officer of Report:** Nigel Robson  
Principal Transport Planner

**Tel:** 0114 273 6692

**Report of:** Executive Director of Place  
**Report to:** Cabinet  
**Date of Decision:** 21 March 2018  
**Subject:** Acceptance of National Productivity Investment Fund Grant

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Place</i>		
Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
EIA reference number : 227		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

**Purpose of Report:**

This report is to approve acceptance of the Department for Transport's National Productivity Investment Fund (NPIF) capital grant of £3,356,000 for the years 2018/19 and 2019/20.

The grant will come from the Department for Transport to the Council via a grant agreement.

The Council will provide match funding in the sum of £1,459,000.

This report also seeks Cabinet authority to purchase land and/or property by agreement for the Highway Improvement but in the absence of agreement to use if necessary as a last resort the Council's Compulsory Purchase Powers in order to complete the acquisition of the whole of the Highway Improvement

**Recommendations:**

Cabinet are asked to:

1. Accept the Department for Transport's National Productivity Investment Fund (NPIF) capital grant of £3,356,000 and authorise match funding of £1,459,000; and that the Council will be the Accountable Body
2. Delegate authority to the Director of Financial and Commercial Services in consultation with the Chief Property Officer and the Director of Legal and Governance to enter into such grant agreement with the Department for Transport (DfT).
3. Authorise the Council to act as a delivery partner for projects totalling £4,815,000 (DfT grant of up to £3,356,000+ £1,459,000 of match funding) as set out within this report.
4. Delegate authority to the Director of Finance and Commercial Services in consultation with the Director of Legal and Governance to take such steps as they deem appropriate to achieve the outcomes set out in this report.
5. Delegate authority to the Chief Property Officer in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to enter into negotiations and if possible acquire by agreement the land and property required for the Highway Improvement
6. Confirm in principle that the Council will be prepared to use Compulsory Purchase Powers as a last resort if terms cannot be reached by agreement to acquire the land and/or property required to complete the Highway Improvement. The use of such powers if needed will be subject to a further detailed report to Cabinet or if appropriate to the Leader.

**Background Papers:** N/A

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms	Finance: Sarah Uttley
		Legal: Henry Watmough-Cownie

	completed / EIA completed, where required.	Equalities: Annemarie Johnston
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b>	Laraine Manley
3	<b>Cabinet Member consulted:</b>	Cllr Jack Scott Cabinet Member for Transport and Sustainability
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Nigel Robson	<b>Job Title:</b> Principal Transport Planner
	<b>Date:</b> 16 <sup>th</sup> January 2018	

## 1. PROPOSAL

- 1.1 To approve the acceptance of the Department for Transport's National Productivity Investment Fund (NPIF) capital grant of £3,356,000 for a junction improvement and short length of road widening on the A61 London Road corridor. Sheffield City Council will act as delivery partner for this project totalling £4,815,000 (DfT grant of up to £3,356,000+ £1,459,000 of match funding).

## 2. BACKGROUND

- 2.1 In April 2017, the Department for Transport announced a new competition for the National Productivity Investment Fund capital grant for 2018/19 to 2019/20 financial years. In June 2017, the Council submitted a bid for a highway improvement scheme on London Road at Broadfield Road. A plan of the project is attached to this report as Appendix A.
- 2.2 In October 2017, the Department for Transport wrote to the Council to confirm that their bid for £3.356m NPIF funding for 2018/19 to 2019/20 had been successful. A copy of this document, together with the Terms and Conditions is attached as Appendix B.
- 2.3 The scheme introduces an extra lane for traffic along Broadfield Road and London Road as well as improvements to this signalised junction. The scheme will help relieve congestion and improve journey times along this stretch of road. The greatest benefit will be for drivers travelling into the city centre during the morning peak. This has been quantified

through modelling with an anticipated 2 minute journey time improvement for car drivers and a 30 second improvement for buses. There will also be improvements during the evening peak, but to a lesser extent.

- 2.4 A secondary benefit will be the unlocking of a potential mixed use development site that is currently 'masked' by redundant buildings.
- 2.5 With respect to air quality, the project will make a small but positive contribution to air quality standards in the locale of the road corridor through reduced congestion and smoother traffic flow.
- 2.6 The projected financial benefits using the DfT Transport Analysis Guidance known as WebTAG, suggest that the benefit to cost ratio is 4.61, resulting in £15.5m benefit based on a scheme cost of £3.356m.
- 2.7 The scheme will improve the into-city route for confident cyclists who are comfortable riding on busy roads by increasing the amount of road space available for all users. The needs of less confident cyclists will be accommodated on quieter routes that run parallel to London Road such as the Saxon Road/Little London Road route to the west.
- 2.8 Land acquisition is a key issue as the scheme requires purchase of the existing frontage properties and a corner of the development site behind. The intention is to acquire, by agreement, all affected land and rights necessary to deliver the scheme. Informal, early discussions have informed this process and negotiations are now under-way. If it is not possible to acquire the land and rights necessary by agreement it is intended to use, if necessary as a last resort the Council's Compulsory Purchase Powers in order to complete the delivery of the Highway Improvement.
- 2.9 Subject to successful acquisition of the necessary land and rights by agreement the timescale for construction is to start on-site no later than March 2019 with practical completion by March 2020.
- 2.10 The match funding of £1.459m is provided by highways maintenance PFI works under the Streets Ahead contract, which is jointly funded by the Council and PFI grant. This improves the certainty of match funding and programming. The Streets Ahead works comprise major highway and junction renewal elements plus the replacement of the time-expired tidal flow system on this and a longer section of the A61 corridor.
- 2.11 The use of the Streets Ahead PFI funding as match was agreed by the DfT at the bidding stage and clarification of the level of detail needed to support the financial claims to draw down the grant was provided in January 2018. The mechanism will be to provide evidence of actual spend by an extract from the monthly bill submitted from the Streets Ahead contractor.

### 3. HOW DOES THIS DECISION CONTRIBUTE?

3.1

Corporate Objective	Corporate Key Aim(s)	How Achieved
Strong Economy	To achieve economic potential and be well-connected.  Supporting businesses to start and grow.  Attract more visitors to Sheffield.	The scheme will unlock a site designated for mixed use development.  The removal of the bottleneck on this key route will provide better transport links to NE Derbyshire.
Better Health & Wellbeing	Promoting good health.	The project will make a small but positive contribution to air quality standards in the immediate area.
Thriving Neighbourhoods	Improved access to schools and local amenities. Community safety.	The scheme will create the potential for local amenities in the mixed use development and will provide improved access along this congested corridor.
Tackling Inequalities	Support individuals to access education, employment and training	The project will improve bus reliability along the corridor helping residents to access work.

### 4. HAS THERE BEEN ANY CONSULTATION?

4.1 Consultation has taken place with the principal stakeholders including Sheffield City Region (SCR), Local Enterprise Partnership (LEP), South Yorkshire Passenger Transport Executive (SYLTE), First Bus and Stagecoach.

4.2 Informal discussions have already been held with the affected land owners but in order to achieve the construction timescales a formal approach now needs to be made.

### 5. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

#### 5.1 Equality of Opportunity Implications

5.1.1 An EIA has been conducted and concluded that the scheme delivered through the grant would have a positive impact on the residents of Sheffield; however the impact would be low due to the relatively small

number of people involved.

## 5.2 Financial and Commercial Implications

5.2.1 In order to achieve the current programme, and to meet the timescales for the Department for Transport's, the expenditure is to be incurred in 2018/19 and 2019/20.

5.2.2 The Council will be the Accountable Body for the grant from the DfT, it follows that the Council will be responsible for the obligations and liabilities of the grant agreement.

5.2.3 Key features of SCR's grant terms and conditions (not exclusive) are summarised as follows:

- Sheffield City Council accepts liability for all terms and conditions placed upon it by the Department of Transport.
- The grant is subject to claw back if it is not spent correctly.
- All activity has to be delivered by March 31st 2020 and all claims submitted by mid-April 2020. Any costs not claimed by this date cannot be paid by the grant and will have to be funded by the Council.
- Claims may be audited by External Auditors and Sheffield City Council will be held liable for any actions that cause financial or reputation loss as a result of their mismanagement or misappropriation of funds.
- The Project Manager will need to read, understand and comply with all of the grant terms and conditions including any procurement requirements.

## 5.3 Legal Implications

5.3.1 The Director of Legal and Governance may form the view that a CPO is required, in order to ensure the delivery of the scheme; the granting of the CPO is dependent on SCC being able to demonstrate that all possible avenues and negotiations have failed and that SCC is left with no alternative but to seek a CPO.

5.3.2 The Transport Act 2000, as amended, places a duty on the City Council to develop policies which will create safe, integrated and economic transport within Sheffield which meets the needs of persons living or

working within the City.

5.3.3 Legal Services have been provided with correspondence from the Department of Transport (27.02.18) setting out confirmation of the Grant Funding, this includes the conditions under which the Grant is paid (Annex B) including a requirement that SCC first report on progress of the scheme in Spring 2018. Specifically, SCC can only use such Grant in accordance with regulations made under Section 11 (Use of Capital Receipts) of the Local Government Act 2003 and SCC are required to sign and return to the Local Transport Funding Team a declaration later than 30 September 2019;

5.3.5 “To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to Local Transport Capital Block Funding (National Productivity Investment Fund) Specific Grant Determination 2018/19 No 31/3222 have been complied with”.

If SCC fail to comply with such conditions (above) the grant can be reduced, suspended, be withheld or is repayable.

Legal Services are advised that the grant allocation and works must be delivered and spent by the end of March 2020. Any costs not claimed by this date will need to be met by the Council. The delivery partner must deliver the objectives it agreed to, failure to do so or should the programme cease to represent what was purported may result in claw back, withholding or suspension of the grant monies paid and due. The Council will be held liable for any actions that cause financial or reputational loss as a result of their mismanagement or misappropriation of funds.

Legal Services are advised that the Council will be tied into the obligations of this agreement and the obligations placed on it by the DfT grant award letter terms and conditions. The Council will provide match funding on this project of £1,459,000.

Any procurement under this Agreement will be subject to EU Procurement Rules and the Council will need to comply with these. The Council will also have to ensure it is State Aid law compliant throughout the grant allocation and project. Procurement of the works must also comply with the Council's own standing orders.

#### 5.4 Other Implications

##### 5.4.1 HR Implications

5.4.2 The project will support the employment of a number of staff across Sheffield City Council and other agencies, which will be managed in

accordance with the policies of the relevant agencies.

#### 5.4.3 Equalities Implications

5.4.4 Overall there are no significant equality impacts, positive or negative, from this proposal. There will be a slight improvement in air quality due to less standing traffic at this junction and the resulting improvement in bus reliability and punctuality on this key route will support unemployed people looking for work.

### **6. ALTERNATIVE OPTIONS CONSIDERED**

6.1 The Council employed the Arup Consultancy to test six options for an improved highway layout at this location using the AIMSUN microsimulation tool to model journey time savings along the broader corridor. From this analysis, the preferred option identified shows best value for money.

6.2 An alternative option would be to reject the National Productivity Investment Fund grant. If this was the case, the scheme would have to be deferred until other funding options were identified. Also the opportunity would be lost to combine with a major Streets Ahead highway maintenance project to be undertaken in the vicinity and programmed for construction within the next 18 months.

6.3 Where it is known that the City Council requires land for the delivery of a scheme, an owner or occupier may be prepared to sell their interest, and consequently the Council can, in some cases, pursue an acquisition by agreement, without the requirement for a CPO.

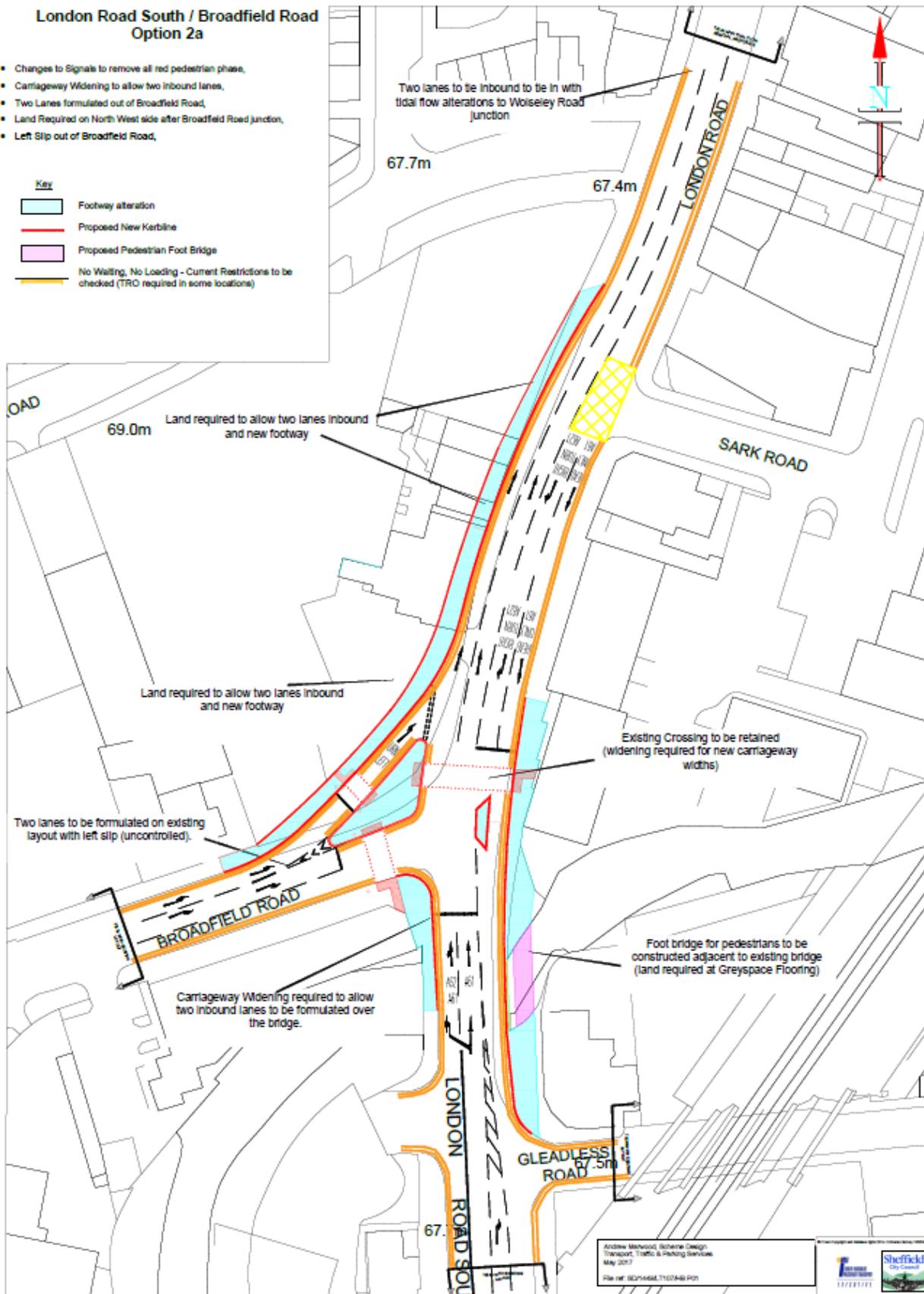
6.4 An attempt to acquire, by agreement, the land and rights affected by the proposed scheme, prior to making a CPO has been considered as an alternative option. Negotiations continue and are encouraging.

### **7. REASONS FOR RECOMMENDATIONS**

7.1 Acceptance of the grant would enable the construction of the junction improvement scheme to widen the narrowest section of the A61 corridor and improve traffic flows significantly. Also the scheme takes advantage of the opportunity presented by programmed adjacent Streets Ahead highways maintenance works and links in with local "Better Bus" improvement schemes nearby. In addition, the proposals will unlock a mixed use development site. The implementation of this scheme will reduce congestion and delays around this busy section of the network, improving service reliability for buses, conditions for economic inward investment and contributing to reduced vehicle emissions.



**Appendix A : NPIF Outline Scheme Layout**



## **Appendix B : NPIF Grant Award Letter with Terms and Conditions**



### Department for Transport

John Mothersole  
Sheffield City Council  
By email to:  
john.mothersole@sheffield.gov.uk

Copy to bid co-ordinator:

chloe.shepherd@sheffieldcityregion.org.uk

Paul O'Hara  
Local Infrastructure Division  
Zone 2/14  
Great Minster House  
33 Horseferry Road  
London  
SW1P 4DR

Direct Line: 020 7944 2291  
Paul.O'Hara@dft.gsi.gov.uk

Web Site: [www.dft.gov.uk](http://www.dft.gov.uk)  
Our ref: Bid 97

25 October 2017

Dear Mr Mothersole,

#### **National Productivity Investment Fund A61 London Road / Broadfield Road improvement**

Following receipt of your bid for the National Productivity Investment Fund, I am pleased to inform you have been successful, as shown above. This letter confirms that Ministers have given formal Approval to the proposal submitted by your Authority so you may now wish to proceed with planning and any other statutory powers that are required.

The successful projects were published on GOV.UK on 19 October at the link below –

<https://www.gov.uk/government/news/government-invests-350-million-improving-local-roads>

The National Productivity Investment Fund aims to ease congestion and provide upgrades on important national, regional or local routes to help unlock economic and job opportunities or enable the delivery of vital new housing developments. There is £244 million of funding for 76 projects.

For your project the Department will provide a maximum funding contribution as follows - £3.356 million in the years 2018-19 and 2019-20 towards an estimated total scheme cost of £4.815 million.

Your Authority is solely responsible for meeting any expenditure over and above this maximum amount and any spend beyond 31 March 2020 as the Department's grant is only available in those two years.

Funding will be paid as grant under Section 31 of the Local Government Act 2003. I will write to you again to notify you of the initial payment of grant, which will be in spring 2018, along with the funding terms and conditions.

The Government's contribution to the scheme should be advertised in any publicity information that you produce. For grant funded schemes Ministers want to ensure that the Department for Transport's corporate logo is displayed at the site.

The Department will monitor progress of the scheme at regular intervals. An Excel form will be issued following the first grant payment, for your Authority to report the progress of your scheme.

The email address for any questions about the grant or returning the completed monitoring forms is [LT.PLANS@dft.gsi.gov.uk](mailto:LT.PLANS@dft.gsi.gov.uk)

Yours sincerely,

*Paul O'Hara*

Paul O'Hara  
Local Infrastructure

**LOCAL TRANSPORT CAPITAL BLOCK FUNDING (NATIONAL PRODUCTIVITY INVESTMENT FUND) SPECIFIC GRANT DETERMINATION (2018/19): No 31/XXXX**

The Minister for Local Transport ("the Minister"), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

**Citation**

1) This determination may be cited as the Local Transport Capital Block Funding (National Productivity Investment Fund) Specific Grant Determination (2018/19) No.31/XXXX.

**Purpose of the grant**

2) The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them.

**Determination**

3) The Minister determines:

(a) that the authorities listed in Annex A are the authorities to which grant under this determination is to be paid;

(b) that the maximum amount of grant payable to each authority shall be the amount shown against the name of the authority in the accompanying spreadsheet at Annex A.

**Grant conditions**

4) Pursuant to section 31(3) and 31(4) of the Local Government Act 2003, the Minister determines that the grant will be paid subject to the conditions in Annex B.

**Treasury consent**

5) Before making this determination in relation to local authorities in England, the Minister obtained the consent of the Treasury.

Signed by authority of the Minister for Local Transport

Anthony Boucher  
A senior civil servant within the Department for Transport

[ March ] 2018

## **ANNEX A**

### **LOCAL TRANSPORT CAPITAL BLOCK FUNDING (NATIONAL PRODUCTIVITY INVESTMENT FUND) SPECIFIC GRANT DETERMINATION (2018/19): No 31/XXXX**

List of local authorities to follow

## **ANNEX B - GRANT CONDITIONS**

1. Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.

2. The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of the Local Transport Funding team<sup>1</sup> in the Department for Transport a declaration, to be received no later than 30 September 2019, in the following terms:

"To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to Local Transport Capital Block Funding (National Productivity Investment Fund) Specific Grant Determination 2018/19 No 31/XXXX have been complied with".

3. If an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Minister may-

- a) reduce, suspend or withhold grant; or
- b) by notification in writing to the authority, require the repayment of the whole or any part of the grant.

4. Any sum notified by the Minister under paragraph 3(b) shall immediately become repayable to the Minister.