



Author/Lead Officer of Report:
Tom Finnegan-Smith

Tel: 07787 268 905

Report of: Executive Director of Place
Report to: Cabinet Member for Transport and Development
Date of Decision: 08/11/19
Subject: Transforming Cities Fund bid: Sheffield City Council section of Sheffield City Region bid to the Department of Transport

| | | | | |
|---|-----|--------------------------|----|-------------------------------------|
| Is this a Key Decision? If Yes, reason Key Decision:- | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| - Expenditure and/or savings over £500,000 | | <input type="checkbox"/> | | <input type="checkbox"/> |
| - Affects 2 or more Wards | | <input type="checkbox"/> | | <input type="checkbox"/> |
| Which Cabinet Member Portfolio does this relate to? <i>Cabinet Member for Transport and Development</i> Which Scrutiny and Policy Development Committee does this relate to? <i>Economic and Environmental Wellbeing Scrutiny and Policy Development Committee</i> | | | | |
| Has an Equality Impact Assessment (EIA) been undertaken? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| If YES, what EIA reference number has it been given? <i>No 614</i> | | | | |
| Does the report contain confidential or exempt information? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:- <i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i> | | | | |

Purpose of Report:
To inform on the Sheffield City Region bid to the Department for Transport's Transforming Cities Fund and the Sheffield elements of this.

Recommendations:

To note that the Sheffield City Region Mayoral Combined Authority meeting on 18/11/19 will be asked to approve submission of the Sheffield City Region's bid to the Department for Transport's Transforming Cities Fund (which has a submission deadline of 28/11/19).

To endorse the Sheffield section of this bid, which covers a number of active travel and public transport projects in the parts of the city that are eligible for this.

To approve the use of parking revenues to fund the commuted sums that will be due on all resulting schemes should the bid be successful.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

| 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 completed / EIA completed, where required. | Finance: Chris Nicholson 30 Oct '19 |
| | | Finance S151 Officer: Chris Nicholson 30 Oct '19 |
| | | Legal: Richard Cannon / Bob Power 15 Oct '19 |
| | | Equalities: Annemarie Johnston 29 Oct '19 |
| <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 | EMT member who approved submission: | <i>Laraine Manley</i> |
| 3 | Cabinet Member consulted: | <i>Councillor Robert Johnson</i> |
| 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. | |
| | Lead Officer Name: <i>Tom Finnegan-Smith</i> | Job Title: <i>Head of Strategic Transport, Sustainability and Infrastructure</i> |
| | Date: 31 Oct '19 | |

1. PROPOSAL

- 1.1 In September 2018, Sheffield City Region was confirmed as one of the areas across the country to have been shortlisted as eligible for the Transforming Cities Fund (TCF). The requirement was to submit a draft strategic outline business case (SOBC) to the Department for Transport (DfT) by the 20th June 2019, followed by submission of a final business case by 28th November 2019, for consideration as part of a £1.22bn funding pot. The 18th November 2019 meeting of the Sheffield City Region Mayoral Combined Authority (MCA) will therefore be asked to approve this SOBC for submission to the DfT. The City Council, along with the other South Yorkshire Districts and the South Yorkshire Passenger Transport Executive (SYPTe), has continued to work with SCR and the DfT to develop this bid.
- 1.2 The draft SOBC was approved by the MCA on 3rd June 2019. The 'ask' for the DfT was for a 'low', 'medium' and 'high' funding scenario which equated to between £180M and £220M. The bid was focused on areas identified by the City Region as those which could most benefit from improved access to opportunities by active travel and public transport investment. This focus is on three very broad corridors in the City Region including, for Sheffield, the Sheffield-AMID-Rotherham corridor. Feedback from the DfT on the draft was positive and so the final SOBC is building on that.
- 1.3 It is expected that successful bids will be announced by DfT in March 2020. The programme will then run for 3 years – to be complete by March 2023.
- 1.4 Across the City Region, the bid is an approximate 50/50 split between active travel and public transport. This reflects the Mayor's transport vision and growing focus on active travel, including the appointment of Dame Sarah Storey as Active Travel Commissioner. It also reflects the City Council's own Transport Strategy (2019) and fits with public health and clean air policies.
- 1.5 We have identified our priority areas in order to meet the Government's criteria around access to jobs and improving productivity, including areas where evidence shows that the greatest 'propensity to cycle' for commuting journeys. At the moment, we have our biggest concentration of jobs in Sheffield City Centre and in the Lower Don Valley and business parks around it. So we want to make these more attractive places for people to live and easier to travel to for work purposes, both locally in the north (Kelham, Neepsend, Burngreave) and east (Attercliffe, Darnall) of the city and from the south side (Abbeydale/London Rd, Nether Edge, Ecclesall Rd) of Sheffield.
- 1.6 In relation to 'Active Travel', and in preparing the Local Cycling and Walking Infrastructure Plan (LCWIP) on behalf of SCR, we have used the DfT's Propensity to Cycle tool (PCT). This uses a "Go Dutch" scenario to help determine the areas where there is the greatest potential for cycling especially for shorter, commuter journeys and taking into account Sheffield's topography.

- 1.7 This has reinforced the approach set out in the Sheffield Transport Strategy. Consultation around the Transport Vision, as a precursor to the strategy, indicated a significant number of people who would be willing to switch to cycling if they felt it was safe enough. The LCWIP work confirmed the key areas for investment in cycling, including some where there were significant public health challenges and inequalities which we would also like to address along with the emphasis shared with DfT on meeting economic objectives and reducing the impact of travel on the climate.
- 1.8 As a result, there are nine elements ('projects') in the SCC-led part of the SCR bid which are being called:
- Cross City Bus
 - City Centre Cycling
 - Nether Edge Cycling
 - Magna/Meadowhall Cycling
 - AMID Bus Corridor
 - AMID Cycling
 - South West Bus Corridors (Abbeydale/London and Ecclesall Roads)
 - Housing Zone North (HZN) Bus Corridor
 - Housing Zone North Active Travel
- (NB HZN includes Kelham, Neepsend, Pitsmoor).
- 1.9 It is worth noting that some of the Rotherham MBC-led elements also feature the Sheffield-Rotherham corridor, including a possible new access into Parkgate with a park and ride linked to the tram-train, as well as a possible new station on the tram-train route at Magna (which could also enable a park and ride facility there. In addition, SYPTE and SCC together are exploring the feasibility of a trial of low emission buses within the Clean Air Zone, which could provide some groundwork for future roll-out of electric buses.
- 1.10 This bid is considered to be conducive to the Council's duty under the Transport Act 2000 to develop policies for the promotion of safe, integrated, efficient and economic transport to, from and within its area, and carry out its functions so as to implement those policies.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 As part of the Government's Industrial Strategy and the National Productivity Investment Fund, the Transforming Cities Fund aims to drive up productivity through improved connections between urban centres and suburbs in some of England's largest cities/city regions. To do this, the DfT will aim to:
- Invest in new local transport infrastructure to boost productivity;
 - Improve public transport and sustainable transport connectivity;
 - Improve access to employment sites, Enterprise Zones, development sites, or an urban centre that offers particular growth/employment opportunities.
- 2.2 The overall aim of the City Region's bid is to promote a series of

interventions that contribute towards the objective of improving connections within the city region that either:

- Connect areas of deprivation/transport poverty to areas of economic opportunity by public and sustainable transport modes; or
- Seek to achieve significant mode shift away from the private car on key corridors that could stifle future growth ambitions.

- 2.3 Encouraging an increase in, and a shift to, low carbon, sustainable journeys is a key objective of the Fund. Proposals which include cycling and walking will be viewed more favourably where they have been derived and prioritised using the Local Cycling and Walking Infrastructure Plan (LCWIP) process or equivalent. Proposals should demonstrate a clear link to the city's emerging LCWIP or existing cycling and walking strategy. For the Sheffield City Region, this will be the SCR Active Travel Implementation Plan, which will include work undertaken for the SCR LCWIP, and is being led by the SCR Active Travel Commissioner.
- 2.4 The corridors that have been identified within Sheffield for inclusion in the TCF SOBC have strong alignment with the above objectives of the Transforming Cities Fund.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The Council is absolutely committed to consult with local communities and, indeed, to work together with local communities in the development of these projects so that the end result is improvements to cycling, walking and public transport that people will use and appreciate. The focus to date, given the bid timescales set, has had to be on preparing that. This will be followed shortly by communication and consultation with plans in preparation.
- 3.2 This will build on earlier work during 2018 as part of our Transport Vision and Strategy work. This included a public survey to help understand the barriers to travel for people, including active travel, which brought in over 1900 responses and was complemented by well attended workshops on the three key themes of the environment (via the Green City Partnership), equality (working with the Council's Access Liaison Group and the city wide Transport 4 All) and the economy, led by a Business Breakfast hosted by Sheffield Chamber of Commerce.
- 3.3 In addition, more recently, we have worked with Public Health on a pilot survey on barriers to travel in Darnall which was one of the areas under-represented in the responses to our Vision survey – and is a priority area for this TCF bid. 'Move More' colleagues collected over 50 surveys amongst local people which showed that bus users were not content with the service, especially those of working age. Existing levels of active travel, mainly walking rather than cycling, were higher than expected.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 An initial Equality Impact Assessment has been carried out. The TCF work is at a very early stage (funding bid) and more detailed EIAs will be carried out for the various projects as they develop.

4.1.2 Overall, if successful the Transforming Cities proposals will support the city's and region's goals: residents and businesses connected to economic opportunity, a cleaner and greener city, and safe, reliable and accessible transport network. It will contribute to Sheffield developing a transport system that works for everyone, connecting people to the places they want to go. This should have a particular positive impact for health & wellbeing, women and financial inclusion. By supporting the development of public transport, walking infrastructure and cycling infrastructure that reduces barriers to transport, the plan will play a key role in developing better access to jobs, training, education, health care and leisure activities across Sheffield.

4.1.3 The individual projects identified will require outline and full business cases and Equality Impact Assessments in their own right to demonstrate success. These will show if there are any impacts on specific communities and how this has been consulted on and how any potential negative impacts will be mitigated, where possible.

4.2 Financial and Commercial Implications

4.2.1 **Capital Costs**

Due to the timetable from DfT (para 1.3), it has been necessary to begin feasibility studies. These are underway using £1,460K approved through the Capital Approvals Month 3 report in August as a Leader's decision. That report includes a short description of the nine elements (projects) which are currently being called:

- Cross City Bus
- City Centre Cycling
- Nether Edge Cycling
- Magna/Meadowhall Cycling
- AMID Bus Corridor
- AMID Cycling
- South West Bus Corridors (Abbeydale/London and Ecclesall Roads)
- Housing Zone North (HZN) Bus Corridor
- Housing Zone North Active Travel

(NB HZN includes Kelham, Neepsend, Pitsmoor).

The Transforming Cities Fund is expected to meet the full capital costs of the schemes, therefore requiring no further contribution from SCC Capital Resources. Bids are being submitted by SCR at 3 levels: high, medium and low. Should any part of the bid be unsuccessful or not be funded to its full extent, that element will not progress until suitable alternative funding is identified or until it has been revised to meet the funding level.

4.2.2 **Match-funding**

A local contribution in the order of 15% is however expected by DfT across the whole TCF programme: this is in line with other DfT funding competitions. For Sheffield City Council, this 15% equates to 'complementary' schemes as opposed to specific contributions to the schemes within the TCF programme. There is no cash payment to be made and approved schemes to the requisite value of £12.5m have been identified.

4.2.3 The draft funding bid submitted in June 2019 (para 1.1 and 1.2) for Sheffield was for:

Low - £69M

Medium - £77.2M

High - £85M

as part of an SCR-wide bid of:

Low – £176.6M

Medium - £197M

High - £219.1M

The initial feasibility work underway since then is providing something of a sense-check of these figures and the totals are changing slightly.

4.2.4 **Revenue Costs**

Any changes made to the highways network since the start of the highways PFI contract, such as those that will result from the TCF projects, will result in a change (up or down) to the planned annual cost of maintaining the infrastructure for the next 25 years. This cost is known as the Commuted Sum. The Transforming Cities Fund cannot be used to fund commuted sums, therefore if these schemes progress, alternative revenue funding will need to be identified for these costs and built into revenue budgets. Dependent on the value, the commuted sum is either collected in one lump sum at the completion of a scheme or as an annual charge to the revenue budget.

4.2.5 At the current very early stage of work on these projects, a percentage is being used across the whole city region for inclusion in the economic case to account for ongoing maintenance costs. This is 4% for on existing highway and 6% for off existing highway. So, as an example, if the City Council bid results in £70M scheme works costs and this is 50/50 on/off existing highway, then the estimated total whole life cost used in the economic case would be £3.5M. In relation to the PFI contract, this is an annual cost of £140K. This figure will be refined as feasibility studies develop into more defined plans. There is currently significant uncertainty over the final cost.

4.2.6 It is proposed that based on current and future planned parking space provision, there would be sufficient income to meet both existing and future expenditure commitments including the commuted sums applicable to the TCF schemes.

4.3 Legal Implications

4.3.1 The Transport Act 2000 (amended) places a duty on the City Council to develop policies for the promotion of safe, integrated, efficient and economic transport to, from and within its area, and carry out its functions

so as to implement those policies.

The Council has the powers under Part V of the Highways Act 1980 and the Road Traffic Regulation Act 1984 to implement the improvements likely to be progressed. These implications will be assessed at the appropriate moment as the projects are developed.

4.4 Other Implications

4.4.1 Health Impact Assessment

4.4.1 A Health Impact Assessment has been recommended as part of the EIA. This The TCF work is at a very early stage (funding bid) and more detailed HIAs will be carried out for the various projects as they develop. Public Health has provided a summary of relevant literature on active travel, health and protected characteristics under the Equality Act which will be useful for this.

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 The alternative option would have been not to be part of the SCR bid which would have meant no bid as these bids can only be put forward by Combined Authorities where they exist.

6. **REASONS FOR RECOMMENDATIONS**

6.1 The City Council considers that the TCF provides a worthwhile opportunity to access new capital funding for transport improvements, in support of the City Council's transport strategy and other objectives around public health and air quality including the climate emergency.

6.2 The intended outcomes are to:

- increase cycling and walking by improving active travel facilities: with a focus on cycling to work journeys in areas identified as those where the propensity to cycle for access to work is greatest;

- increase mass transport (bus/tram) journeys into employment areas, particularly the city centre by measures to improve journey times, reliability and facilities.

6.3 Should the bid be successful, the majority of the individual schemes within the agreed package will be delivered by the South Yorkshire Local Authorities and SYPTE, using established procurement procedures. This mirrors the approach taken on other funding bids with the DfT and other Government departments and will be underpinned by back-to-back agreements between the MCA and the South Yorkshire Local Authorities. The programme will be subject to a monitoring and evaluation programme in line with the SCR Assurance Framework. This will demonstrate the extent to which TCF objectives were met, monitor performance of the individual elements of the programme and ensure that any potential issues post implementation are identified and addressed.