Agenda Item 10



Report to Policy Committee

Author/Lead Officer of Report: David Whitley, Transport Schemes Manager

	Tel: 0114 205 3804
Report of:	Kate Martin, Executive Director of City Futures
Report to:	Transport, Regeneration and Climate Committee
Date of Decision:	8 th February 2023
Subject:	City Region Sustainable Transport Settlement

Has an Equality Impact Assessment (EIA) been undertaken?	Yes		No	X
If YES, what EIA reference number has it been given? INSERT				
Has appropriate consultation taken place?	Yes	X	No	
Has a Climate Impact Assessment (CIA) been undertaken?	Yes		No	X
Does the report contain confidential or exempt information?	Yes		No	X

Purpose of Report:

The report provides information to the Transport, Regeneration and Climate Change Policy Committee (TRCPC) on the proposals for £135m for schemes in Sheffield, outlined as part of the £570m allocated to South Yorkshire Mayoral Combined Authority (SYMCA) following the City Region Sustainable Transport Settlement (CRSTS) submission.

The report will confirm the schemes that have been prioritised for investment and provide indicative proposals as well as alignment with policy objectives and strategic fit, outcome expectations, funding, risk and deliverability.

The CRSTS programme of works is large and complex and aims to provide a stepped change in sustainable travel by delivery of targeted interventions.

Due to inflation and construction price fluctuations arising from wider economic conditions it should be noted that the current programme will be subject to potential change. Should this be required, the TRCPC will be presented with appropriate update reports.

The outline CRSTS programme was approved as part of the bid submission process though the SYMCA Governance procedure, with the main schemes in Sheffield identified below;

• Active Travel - £20m for high quality cycle and walking networks, including a northern community package (including Northern General Hospital link) (£15m), cross city centre links (£5m)

- **Public Transport** £39m for A61 Chesterfield Road (£11m), Upper Don Valley area (£15m) and Northern Communities to City Centre (£13m).
- LaNTCP Block £18m to continue our 'business as usual' smaller scale transport schemes and support the transport elements of the Local Area Committee plans.
- Mass Transit renewal (Supertram Contribution) £51m for the most immediate renewals of the tram network.
- Transforming Cities Fund scheme completion £7m, a specific allocation was included in the CRSTS submission for the completion of Transforming Cities Fund (TCF) schemes; £5m of this funding is required for the Housing Zone North (HZN) project providing an activetravel route linking Kelham/Neepsend to the City centre. The programmes have a shared goal to stimulate the economy by improving sustainable transport infrastructure; balancing finances within both programmes will maximise the benefits which can be achieved by both.

More detail of the schemes is included in section 1.9.

Recommendations:

To:

- 1. Approve the continuation of CRSTS scheme development detail in consultation with internal and external stakeholders,
- 2. Approve the current scheme allocations in section 1.9 in the programme (including £10.1m to enable the Chesterfield Road corridor to progress immediately through the SCC capital approval process)
- 3. Note that the £50,847,458 allocation for the tram renewal project will be delivered by SYMCA, with the value of the contribution having been agreed through the SYMCA governance process as part of the bid submission)
- 4. Note that SYMCA have been working with the DfT to see how to help manage CRSTS at a programme level, however, mechanisms for managing allocations between schemes are yet to be determined, including any local flexibility for this. It is proposed that any amendments to the CRSTS programme will be made through updates to this committee and SYMCA as appropriate.
- 5. Delegate the finalisation and submission of internal and external Business Cases for future schemes to the Head of Strategic Transport, Sustainability and Infrastructure in consultation with S151 officer and Chair(s) of TRCPC
- 6. Note that relevant projects will be submitted through the Council's Capital approval process, managed through Strategy and Resources Policy committee
- Approve the utilisation of £5.044m of CRSTS funding allocated for the completion of TCF projects, to support increased costs on the Transforming Cities Fund, Housing Zone North Scheme. This will be accommodated within the CRSTS programme.

Background Papers:

Department for Transport (1 April 2022), Letter from the secretary of state for transport to the South Yorkshire Mayor, City Region Sustainable Transport Settlement Allocation for South Yorkshire. <u>CRSTS funding settlement letter for</u> <u>South Yorkshire, 1 April 2022 (publishing.service.gov.uk)</u> Accessed on 17th August 2022

Department for Transport (29 July 2022), Letter from the secretary of state for transport to the South Yorkshire Mayor, Finalised City Region Sustainable Transport Settlement for South Yorkshire.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attach ment_data/file/1095632/Grant_Shapps_-

Oliver Coppard SYMCA CRSTS Delivery Plan redacted accessible.pdf Accessed 17 August 2022

Department for Transport (29 July 2022), City Region Sustainable Transport Settlements: Annex A - Confirmed delivery plans and funding allocations, <u>CRSTS Delivery Plans for City Regions -</u>

<u>with retained schemes description additions.ods</u> Accessed on 17 August 2022

Lea	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 and Commercial: Damian Watkinson, Finance Manager 27 th January 2023 Legal: Richard Cannon, Legal Services 27 th January 2023 Equalities & Consultation: Ed Sexton Seniopr Equalities and Engagement Officer 25 th January 2023 Climate: Jessica Rick 25 th January			
	Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.				
2	EMT member who approved submission:	Kate Martin Executive Director of City Futures			
3	Committee Chair consulted:	Councillor Julie Grocutt, Deputy Leader of the Council and Co-Chair Transport, Regeneration and Climate Policy Committee Councillor Mazher Iqbal, Co-Chair Transport, Regeneration and Climate Policy Committee			
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 Committee 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: Matthew Reynolds	Job Title: Transport Planning and Infrastructure Manager			
	Date: 8 th February 2023				

1. PROPOSAL

Background

- 1.1. The City Region Sustainable Transport Settlement (CRSTS) is the next instalment of major transport capital investment from the Department for Transport (DfT). Funding arrangements will follow the existing financial protocols, with the assurance and approval being primarily controlled by South Yorkshire Mayoral Combined Authority (SYMCA).
- 1.2. The DfT has however decided to maintain control of some schemes with the regional programme, retaining the approval of these outside of the SYMCA process. Although none of these schemes have Sheffield City Council as the project sponsor, the inclusion of the Mass Transit (Supertram) project means that this project will be reliant on direct DfT approval. All engagement with the DfT on this project will be by SYMCA, although the City council will remain on the project team.
- 1.3. Scheme funding within the programme will be allocated to Local Authorities based on the submission of businesses cases, following the HM Treasury Green Book appraisal process to ensure value for money and alignment to South Yorkshire's strategic priorities.
- 1.4. In a letter sent by the Secretary of State for Transport, the DfT has confirmed that SYMCA will receive a total of £570m of capital investment for the region. The delivery period is for the next 5 years, with funding profiles outlined until the 2026/27 financial year, with spend expected to be completed by March 2027.
- 1.5. Funding is allocated at a programme level between the schemes included in the SYMCA's Delivery Plan which is referenced by the DfT in their funding letter. The City council's share of funding is approximately £135m

The Programme

- 1.6. The eligible scheme criteria for CRSTS outlined that all submissions must follow the principles of the Levelling Up agenda, with transport as an enabler for economic transformation with a clear emphasis on sustainability. The bid guidance emphasised the need for bus priority schemes, high-quality cycling and walking infrastructure and local schemes for accident reduction and accessibility.
- 1.7. The following bullet points highlight the criteria of what the DfT were expecting to see in the SYMCA's bid:
 - Investment in improving sustainable transport prioritised Public transport and active travel are the areas most in need of levelling up. Bids must show that they will further the objectives of the national bus and cycling and walking strategies, including ambitious bus and cycling priority measures.

- Local road projects must also deliver or improve cycling and walking infrastructure and include bus priority measures, unless it can be shown that there is little or no need to do so.
- Bids must propose a programme of investments that **reduce carbon and particulates**.
- **Modal shift plans are also strongly required**: proposals should show how they will encourage people to switch from cars to active travel and public transport.
- Congestion and pollution measures will also be assessed positively; proposals should show how they will tackle traffic congestion, promote the use of public transport and improve air quality.
- Strength of the Strategic Case in some circumstances, such as adapting infrastructure to meet accessibility standards, proposals may not offer value for money but will be driven by a compelling strategic case.
- 1.8. The above points link strongly to the SYMCAs transport strategy and the City Council's Transport strategy (2019) too. The following actions are included in the City Council Transport strategy:
 - Securing the tram system:
 - 'We will support.... the refurbishment and security of the existing Supertram system as part of the Department for Transport's Local Large Major Schemes programme (now included in CRSTS).
 - Bus:
 - We will introduce additional bus priority, including new bus lanes on existing key bus routes, to not only protect buses from congestion but also to proactively improve bus journey times. This will help to cut operating costs and enable the provision of new and improved bus services. Other priority measures will include traffic signal control improvements, realigned to proactively speed up buses, rather than merely bringing late running buses back to timetable.
 - The 'mass transit' section of the strategy named the following corridors for exploration for 'high speed and high quality' mass transit routes:
 - The Upper Don Valley with possible routes from Sheffield to Stannington, Wisewood, Stocksbridge and Grenoside;
 - From Chapeltown and High Green to Sheffield via Meadowhall, Northern General Hospital and/or Hillsborough;
 - Meadowhead to City (to support a potential park & ride site near Meadowhead Roundabout);

- Active Travel
 - Sheffield will prioritise improvements in the areas where there is greatest opportunity for ordinary members of the public to cycle short trips into the city centre and where this would be instead of making car trips. The first priority will be the areas connecting the city centre with and suburbs in the Broomhill, Highfield, Sharrow and Nether Edge areas; development work on later priorities will continue in parallel.
 - We will develop cycling proposals with local communities to serve not only the city's transport needs, but also the aspirations and needs of the city's people, including its disadvantaged communities. This will help us understand where best to provide for cycling in a manner that works for local people, meets objectives and is not unduly led by existing interests and so better supports congestion relief, accessibility and health outcomes.
 - We will continue a programme of pedestrian accessibility improvements, providing improved footways and crossings to address local issues, in particular to improve access to local services and public transport.

The Schemes, Approval and Delivery

1.9. There following are programmes of work in Sheffield currently included within the CRSTS programme;

Active Travel Northern Communities (£16m)

A series of scalable active travel network improvements connecting Sheffield City Centre with the Northern General Hospital (NGH), and onward to the surrounding communities. The project will seek to integrate with the bus corridors to provide a sustainable transport route to NGH and improved local access to district centres as well as strategic connections into the City and areas of high employment opportunities.

Bus Priority – Northern Communities (£13m)

A scalable bus improvement project which envisages to deliver bus priority along the A6135 corridor from Sheffield City Centre to northern communities of Chapeltown, Ecclesfield and Firth Park via the Northern General Hospital. The scheme will include the investigation of the major junctions on the route. There will also be an opportunity to improve connecting infrastructure such as bus stops, waiting restrictions and other traffic management opportunities which positively present themselves through consultation.

Bus Priority – Upper Don Valley (£15m)

A scalable bus improvement project which envisages to deliver bus priority along the A61 corridor from Sheffield City Centre to northern communities including Stannington, Wisewood and Grenoside. The scheme will include the investigation of the major junctions on Penistone Road and Halifax Road. There will also be an opportunity to improve connecting infrastructure such as bus stops, waiting restrictions and other traffic management opportunities which positively present themselves through consultation.

A61 Chesterfield Road – (£11m)

A scalable bus improvement project which envisages to deliver bus priority along the A61 corridor from Meadowhead roundabout in the South to Sheffield city centre in the north, including development of park & ride options. There is limited highway space for major intervention, although pedestrian crossing points at key locations and bus priority improvements (bus lane operation and enforcement) will be considered on Chesterfield Rd to the junction with Broadfield Rd. There will also be an opportunity to improve connecting infrastructure such as bus stops, waiting restrictions and other traffic management opportunities which positively present themselves through consultation.

Active Travel Cross City Connections (£5m)

A series of scalable active travel network improvements which will plug the gaps within the City Centre to radial cycle links, maximise connections with existing schemes and consider options to connect other key destinations within the city centre.

Local and Neighbourhood Transport and Complimentary Programme (formerly known as the Local Transport Plan/LTP (£18m – over five years)

A broad range of the smaller scale interventions to provide efficiency and effectiveness across the network, but also delivering localised investments within communities to open up the network to all users and encourage sustainable access to leisure, facilities and employment. Works include accident saving schemes, signal upgrades, junction improvements, congestion/network management, accessibility improvements, local air quality improvement and active travel enhancements.

Contribution to the Mass Transit renewal project (led by the SYMCA) (£51m)

Total project funding around £102m secured to date with scope including replacement of tram slab, rails, points and strengthening of key structures and improvement of turnback facilities, refurbishment and/or replacement of vehicles.

Transforming Cities Fund scheme completion (£7m)

It is proposed to use £5m for the Housing Zone North active travel scheme linking Kelham/Neepsend to the City Centre via West Bar. The Final Business Case (FBC) for this scheme has been submitted to the SYMCA and the funding is required to cover unprecedented rates of inflation in construction materials experienced during the project's pricing/pre-construction phase.

- 1.10. The CRSTS programme will run from April 2022 and March 2027. In order to meet this deadline, early development of the business case, option identification, engagement and construction/design market testing has begun using £2.89m revenue funding from the SYMCA. This revenue funding is the subject of a separate report that is expected to be considered at Strategy and Resources Policy Committee in February too.
- 1.11. Although the above schemes were included within the SYMCAs CRSTS programme, each scheme will still require the development of a Strategic Outline, Outline and Full Business Case and be subject to both SCC and SYMCA 'gateway' assurance and approval processes. This route will allow both the Council and SYMCA to validate the strategic rationale, value for money, financing, procurement, and management of the projects through each approval stage. The Council's Capital Gateway Process (managed through Strategy and Resources Policy committee) provides the internal approval process for individual projects. In order to enable us to work at pace, this committee is being asked to delegate the finalisation and submission of internal and external Business Cases for schemes to the Head of Strategic Transport and Infrastructure in consultation with S151 officer and Chair(s) of TRCPC.
- 1.12. A Strategic Outline Business Case (SOBC) has already been completed for the A61 Chesterfield Road scheme and is currently within the SYMCAs assurance and approval process.
- 1.13. It is expected that further development funding will be available from SYMCA upon successful completion of each 'gateway' approval.

SYMCA Programme

1.14. In addition to each of the constituent Local Authority allocations through the CRSTS £570m, the SYMCA have retained a share of this funding for the completion of projects related to Transport Authority functions. These are spread out across the Local Authorities and will be developed and approved by the SYMCA. This includes a £51m contribution to the Mass transit renewal project.

Engagement and Consultation

- 1.15. Public engagement is essential to the success of schemes within the programme, with the detail to be agreed with the Council's Communications and Engagement team and linking into the Local Area Committee engagement channels as much as possible.
- 1.16. Issue-focussed workshops will be held with stakeholders from multiple backgrounds including residents, local businesses, public transport operators, schools, other relevant groups and organisations and relevant internal SCC departments.

- 1.17. Online engagement channels, including the Council's social media channels, will be used to promote the programme of works and increase public awareness.
- 1.18. TRCPC co-chairs, Ward Members and Local Area Committee Members will continue to be engaged and updated at key milestones and decision points, including 'gateways'.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1. The City council and SYMCA have promoted this programme to support the development of infrastructure investment projects that support decarbonisation of the transport system to tackle climate change along with promoting growth and tackling inequalities.
- 2.2. In accordance with the recommendations, implementing the programme contributes towards the delivery of the Sheffield City Region Transport Strategy 2018-2040 and the Council's Transport Strategy (March 2019).
- 2.3. The proposal aligns with Council priorities:
 - "Strong Economy" (supporting organisations in informed decisions on future fleet investments)
 - "Better Health and Wellbeing"
- 2.4. The strategic objectives for the programme include;
 - Improved access to centres using public transport by improving bus priority infrastructure.
 - Encouragement of more travel by active modes (walking and cycling) and public transport (tram and bus).
 - Improvement of journey times and reliability for all modes on the Inner Ring Road.
- 2.5. The programme supports the emerging Local Plan as well as the supporting the Central Area Strategy, aligned to discussions that are taking place with the Department for Levelling Up, Housing and Communities. The programme also aligns strongly to Sheffield City Region Strategic Economic Plan.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 At the development stage of the SYMCA bid, the Leader and relevant Executive Member were briefed prior to submission through a report and presentation to CMT. This included outlining the high-level proposals as part of the bid to the DfT and the alignment to the current Transforming Cities Fund programme.

- 3.2 As the programme has progressed, engagement with local members and the Local Area Committee Teams has taken place on schemes which have been able to accelerate (A61 Chesterfield Road and A61 Penistone Road). This has included walkthroughs, workshops and updates on business case development and has included attendance by public transport operators too.
- 3.1. Schemes within the CRSTS programme are currently at a very early stage. In developing the project OBCs and FBCs, consultation with landowners, businesses and the Chamber of Commerce, residents, interest groups, transport operators and disability groups will take place. This engagement will allow scheme design to take into account any concerns raised.
- 3.2. The project-specific communication plans will ensure that the different stages of engagement and communications activity remain aligned to the wider corporate position and make reference to all related project development in the area. Wider transport behaviour change messaging is being developed through the Connecting Sheffield brand and the CRSTS programme will complement other investment in active travel and public transport.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1. Equality Implications

- 4.1.1. Improved infrastructure for public transport and active travel will provide a more accessible and continuous network for public transport, pedestrians and cycles between key centres. The scheme will provide priority for buses over cars and therefore increase the reliability of bus services and reduce the journey times to destinations in the local and wider area. These impacts are particularly important to more vulnerable socio-demographic groups who are less likely to own a private vehicle and rely on alternative modes to access services.
- 4.1.2. In broad terms, the initiatives covered by this report contribute towards addressing key causes and indicators of inequality. These include economic wellbeing (e.g. through accessible and prioritised travel-towork); health & wellbeing (e.g. through active travel and reduced exposure to the effects of congestion and pollution).
- 4.1.3. A programme-level Equality Impact Assessment will be undertaken in due course. EIAs covering individual schemes will also be undertaken as required.

4.2. Financial and Commercial Implications

- 4.2.1. The CRSTS programme will be delivered through a capital grant provided from DfT, administered and assured by SYMCA to SCC for the delivery of the projects within the programme. Up to £2.9m revenue is also being provided as a grant by SYMCA to the City council to design and deliver the first gateway outputs of the transport schemes identified within the SYMCA CRSTS business case submission to the DfT. The acceptance of this revenue grant is subject to a separate report to the Strategy and Resources Policy committee, expected to be in February 2023.
- 4.2.2. As per the Financial Regulations, any grant offer will need s151 sign off and claims to be signed off by a Senior Finance Manager.
- 4.2.3. Each project within the programme will then be required to go through the City councils capital gateway process, managed through Strategy and Resources / Finance sub committee.
- 4.2.4. In May 2022, the SYMCA approved a recommendation that enables the City council to vary project allocations within the TCF programme to help manage any future cost increases on specific projects within the programme. SYMCA have been working with the DfT to see how to help manage CRSTS at a programme level, however, mechanisms for managing allocations between schemes are yet to be determined, including any local flexibility for this. Should these decisions be required in the future, it is proposed that they will be made through updates to this committee.
- 4.2.5. It should be noted that the £5m required to deliver the increased costs of the Transforming Cities Fund Housing Zone North Scheme leaves only £2m within the original allocation to support increased costs on the remaining TCF schemes. This is the first Transforming Cities Fund scheme to be tested by the market in the post COVID/Ukraine environment. If similar cost increases from original estimates are realised across the remainder of the TCF programme this will require either additional funding or re-scoping of projects within the TCF programme. It is proposed that any decisions required on how to manage these pressures will be made through updates to this committee
- 4.2.6. Significant investment in the highways infrastructure of this nature will generate a revenue maintenance liability. While the details of these will not be known until individual schemes are designed, the funding of these costs will need to be considered.

4.3. Legal Implications

- 4.3.1. The Council is under a number of duties relevant to traffic management and to which the proposals carried forward under the proposed CRSTS programme may be said to apply. For example, the Transport Act 2000 ('the 2000 Act') places a duty on local authorities to develop policies which will create a safe, efficient, integrated, and economic transport system that meets the needs of persons living or working within the city. The 2000 Act also imposes a duty on local authorities to carry out their functions to implement those policies and, in doing so, secure a more efficient use of their road network, or to avoid, eliminate or reduce road congestion (or other disruption to the movement of traffic) on their road network. This would include where a scheme delivers on the Council's existing Transport Strategy and the Local Transport Plan for South Yorkshire.
- 4.3.2. The Council is also under a duty contained in section 16 of the Traffic Management Act 2004 ('the 2004 Act') to manage its road network with a view to securing the expeditious movement of traffic on the authority's road network, so far as may be reasonably practicable while having regard to their other obligations, policies and objectives. This is called the network management duty and includes any actions the Council may take in performing that duty which contribute for securing the more efficient use of their road network or for the avoidance, elimination or reduction of road congestion (or other disruption to the movement of traffic) on their road network. Where required, the specific legal considerations for individual schemes within the CRSTS programme will be set out for the relevant decision maker in reports on those schemes in due course including the specific powers intended to be exercised in each case.
- 4.3.3. The Council will comply the Public Contracts Regulations 2015 and the Council's contract procedure rules and all applicable legislation when tendering for any services, goods or works as part of the development and delivery of the CRSTS Programme.
- 4.3.4. If the capital grants to deliver the schemes are accepted, the Council will enter into an agreement to the terms and conditions with SYMCA. Failure to comply with the terms and conditions could enable SYMCA or DfT to cease making payments or reduce, withdraw, suspend or recover all or part of the grant.

4.4. <u>Climate Implications</u>

4.4.1. The CRSTS programme is expected to have an overall beneficial impact on the environment as a driver of this investment is to create infrastructure to encourage sustainable forms of travel though increases in people walking and cycling. Although there will be significant short-term impacts in construction and materials use, these will be balanced by long-term modeshift towards active travel modes. 4.4.2. Scheme specific Climate Impact Assessments are being developed as each scheme progresses through the capital gateway process.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1. 'Do nothing' has been considered, but is not considered appropriate as this is likely to result in:
 - Increased congestion and negative impact on journey times and journey time reliability, as take-up of sustainable travel choices would be considerably slower than with the project
 - Failure to promote the sustainability to the Supertram network;
 - Reduced facilities for public transport, pedestrians and cyclists, failing to encourage more active and sustainable travel choices.
 - No identified funding to cover the increased costs of the Transforming Cities Fund: Housing Zone North project
 - Increased carbon emissions on key routes as traffic levels continue to grow.
 - Wider social and environmental benefits not being realised

6. REASONS FOR RECOMMENDATIONS

- 6.1. The City council's City Region Sustainable Travel Settlement identified the wider strategic benefit in delivering a package of sustainable travel improvements to key routes in the City. This will improve connections between the city centre and local centres by public transport, cycling and walking, along with a key contribution to the renewal of the Supertram network. This is line with the City councils transport strategy too.
- 6.2. Recognising the strategic importance of sustainable travel, the City council also submitted the programme through the SYMCAs CRSTS programme in line with the DfTs ask. The recommendations in this report are the next step in the project delivery process.
- 6.3. Entry to the CRSTS programme requires rigorous assessment and compliance with established SYMCA processes and procedures in the assessment of options. The requirements are understood and are well known to the Council, with previous schemes having been subject to SYMCA requirements and progressing successfully.