

Greater Manchester Combined Authority

Date: 10 September 2021

Subject: City Region Sustainable Transport Settlement Prospectus

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport, and Eamonn Boylan, Chief Executive Officer, GMCA & TfGM.

PURPOSE OF REPORT:

This is a report for information to note the submission of the CRSTS Prospectus.

RECOMMENDATIONS:

The GMCA is requested to:

1. Note that GMCA was requested on 20 July 2021 to prepare a submission to the Government's new City Region Sustainable Transport Fund by as soon as possible after the end of August, so as to secure up to £1.19 billion of capital funding for the period 2022/23 to 2026/27;
2. Note the conditions for this submission as set out in section 1 of this report;
3. Consider and approve the draft Prospectus, summarising the GM submission in accordance with the Fund guidance, for submission to Government; and
4. Note that further draft background documents for the submission are contained in Part B of this agenda, to be released as they are finalised through review with Government.

CONTACT OFFICERS:

Eamonn Boylan, Chief Executive Officer GMCA & TfGM
eamonn.boylan@greatermanchester.ca.gov.uk

Steve Warrener, Managing Director and Finance and Corporate Services Director, TfGM
steve.warrener@tfgm.com

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Simon Warburton, Transport Strategy Director, TfGM
simon.warburton@tfgm.com

Equalities Implications:

The CRSTS pipeline has been prepared to make a major contribution to improving the quality of life of all our residents by helping to improve accessibility to jobs and essential services; to provide an accessible and affordable public transport alternative for the third of GM households who do not have access to a car; and to deliver a more comprehensive active travel network to enable more people to incorporate physical activity into their daily lives.

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	
Health	G	
Resilience and Adaptation	G	
Housing	G	
Economy	G	
Mobility and Connectivity	G	
Carbon, Nature and Environment	G	
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		
Further Assessment(s):	Equalities Impact Assessment and Carbon Assessment	
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative , with at least one positive aspect. Trade-offs to consider.
		 Negative impacts overall.

Climate Change Impact Assessment and Mitigation Measures:

This bid comprises a carefully constructed investment pipeline that directly addresses our shared drive to enhance productivity, level up and secure real reductions in carbon emissions, including 43,000 tonnes saving that can be secured through the conversion of 50% of the bus fleet to zero-emission vehicles. This bid will provide a funding stream for the Bee Network and its vision which directly promotes a clear pathway to GM’s ambition to become carbon neutral by 2038 by providing excellent public transport and active travel choices for all, promoting sustainable travel behavioural change through integrated spatial, digital and transport planning; and supports the electrification of vehicles and public transport fleets.

Carbon Assessment		
Overall Score		
Buildings	Result	Justification/Mitigation
New Build residential	#####	No new build residential as part of bid. Only transport infrastructure to enable access
Residential building(s) renovation/maintenance	N/A	
New Build Commercial/Industrial	N/A	
Transport		
Active travel and public transport		
Roads, Parking and Vehicle Access		No increase in conventional parking, but improved park and ride provision is part of bid. This will incentivise use of public transport and reduce car usage in town/city centres
Access to amenities		
Vehicle procurement		Whole life carbon costs to be considered during procurement (electric buses)
Land Use		
Land use	#####	Relevant assessments carried out at scheme basis at appropriate point in delivery
No associated carbon impacts expected.		High standard in terms of practice and awareness on carbon.
		Mostly best practice with a good level of awareness on carbon.
		Partially meets best practice/ awareness, significant room to improve.
		Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management:

There are no direct risk implications of this report. Established risk management as set out in the GM capital programme assurance framework will be followed in the delivery of the investment programme set out here.

Legal Considerations:

There are no direct legal considerations related to this report.

Financial Consequences – Revenue:

The City Region Sustainable Transport Fund is for capital funding only. There are no direct revenue consequences as a result of the proposals in this report. Any ongoing revenue implications of capital schemes will be brought forward through the assurance framework and gateway decision-making arrangements.

Financial Consequences – Capital:

The City Region Sustainable Transport Fund submission includes proposals to secure up to £1.19 billion of capital funding for the period 2022/23 to 2026/27, supplemented by a local capital contribution of £170 million over the same period.

Number of attachments to the report: 1

Comments/recommendations from Overview & Scrutiny Committee

N/A

BACKGROUND PAPERS:

Greater Manchester 2040 Strategy and Delivery Plan – tfgm.com/strategy

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution?		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		N/A
GM Transport Committee	Overview & Scrutiny Committee	
N/A	N/A	

1. Introduction and Background

- 1.1 In its Spring Budget statements 2020 and 2021, the Government stated the intention to establish an Intracity Transport Fund (ICTF) of up to £4.2 billion over 5 years, ringfenced to Mayoral Combined Authority city regions. Following this, in April 2021, the Mayor was notified by Treasury that GM had been awarded £8.6 million development funding for 2021/22 to prepare for a negotiated submission to the ICTF with guidance to follow on that process. On 20 July 2021, DfT issued the guidance for the renamed City Region Sustainable Transport Fund (CRSTF) and Settlement (CRSTS) process, which will combine certain elements of existing capital funding (including the Integrated Transport Block, Maintenance Funding, and future years Transforming Cities Funding) in addition to the new £4.2 billion.
- 1.2 GM has been asked to set out an indicative spending programme within the range of £730 million to £1,190 million over five years 2022/23 to 2026/27, including both core assumptions of the continuation of existing capital funding (equating to over £300 million alone over that period) and a proposal for how GMCA would approach priorities against the additional funding available. The GM submission also needs to demonstrate a local funding commitment of 15-20% against the capital enhancement (as opposed to maintenance) elements which, at the upper bound, amounts to £170 million for GM.
- 1.3 The submission, in the form of a high-level prospectus and supporting technical material, was requested by DfT for “as soon as possible after the end of August 2021”, so as to be considered by Government through the Comprehensive Spending Review process. The prospectus has been requested to be based on a short (indicative 20-page) document, setting out:
- the strategic case for funding,
 - how this funding meets the objectives; and
 - how (the programme) relates to existing ‘local transport or spatial development plans’.

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1.4 This report presents the high-level prospectus for approval by the Combined Authority. It is supported by technical annexes, which are reported in Part B of this meeting agenda, reflecting the draft negotiation status of this material at this stage.

2. City Region Sustainable Transport Settlement (CRSTS) and Delivery of the GM Bee Network Vision

2.1 The Combined Authority has previously discussed and endorsed the Mayor's vision for the establishment of the Greater Manchester Bee Network - a London-style integrated transport network that:

- Provides a consistent and high quality user-experience across all travel in all parts of GM;
- Promotes a clear pathway to GM's Net Zero Carbon Vision by providing real public transport and active travel choices for all; promoting sustainable travel behavioural change through integrated city region planning; and supporting the electrification of vehicles and public transport fleets; and
- Promotes levelling up through the provision of sustainable transport connectivity to key growth locations and the provision of affordable public transport options for all of our communities.

2.2 This vision builds upon the case for integration and sustainable transport investment, which GMCA agreed in January 2021 in the updated 2040 Transport Strategy and Delivery Plan, which form the statutory Local Transport Plan for GM.

2.3 In its guidance for the CRSTF, the Government also states its aim to create a consolidated and devolved model of transport funding to deliver significant improvements for users of public transport and active travel, with a strong presumption towards growth and decarbonisation through modal shift. The change in name - and the delay in issuing the guidance – has resulted in greater emphasis being placed on 'sustainable' transport priorities, with any highway schemes having to demonstrate that they deliver walking and cycling and bus priority.

2.4 The scope of the fund includes public transport improvements, sustainable transport options and major schemes (e.g. mass transit investments) that "open up new areas of the region for employment, leisure and housing, and create real innovation in

transport to solve problems”, in addition to the management and maintenance of existing local transport assets.

2.5 The stated objectives for the fund are:

- driving growth and productivity through infrastructure investment;
- levelling-up services towards the standards of the best; and
- decarbonising transport, especially promoting modal shift from cars to public transport, walking and cycling.

2.6 Our submission will be judged against the achievements of these objectives, value for money, the provision of local funding commitments and deliverability.

2.7 The guidance expects that the submission should take a whole-pipeline approach and set out how other funding streams, including the Bus Service Improvement Plan, future Active Travel funding, the Levelling Up Fund, sit alongside CRSTS in delivering ambitions. This brings a number of challenges not least as there will remain uncertainty over the other funds through to the completion of the Spending Review.

2.8 However, through the updated 2040 Delivery Plan, GMCA and the ten authorities have established a clear and consistent pipeline for sustainable transport spending in GM that reflects local growth and inclusion priorities whilst guiding travel patterns towards that lower carbon “right mix” over the next five years. Therefore, this pipeline has formed the basis of the GM CRSTS proposal, which has been developed through the GM Transport Delivery Group.

3. Greater Manchester CRSTS Prospectus

3.1 A final draft prospectus is attached as the appendix to this report for GMCA approval. The following paragraphs summarise the content of the prospectus.

3.2 The prospectus opens by setting the context for the GM CRSTS submission, as discussed above, reflecting GM’s clear ambition to secure a London-style transport offer, in close alignment with GM’s developing submission to the Spending Review for a Levelling Up Deal with Government. It highlights the central role that sustainable transport policies have made to the progression of the GM Strategy, including the unique and ground-breaking commitments made to the GM Transport Fund by the GM authorities; and the transformational role that the case for bus franchising will

make to delivering a sustainable and inclusive approach to growth and levelling up here. The case is made up front that it is only by investing in a low carbon intracity transport infrastructure that we can genuinely connect all GM residents to the many economic opportunities that exist clustered in a conurbation like Greater Manchester – and that connection is vital to Levelling Up.

3.3 Section 2 of the prospectus sets out a summary of the investment proposals for GM that have been prioritised from the 2040 Delivery Plan pipeline so as to progress the following ambitions:

- (a) Supporting sustainable travel choices through major enhancements to our “Bee Network” focused on key growth locations and levelling up our town and city centres through priorities that:
 - create momentum behind our ambitions for **bus priority and Quality Bus Transit (including stops)** in-line with a London-style public transport network;
 - support **levelling up** via town and city centre regeneration and opening up growth locations with **Streets for All** measures, including sustaining momentum in **active travel** investment;
 - improve the **quality and accessibility** of our Bee Network passenger facilities to deliver a seamless, safe travel experience for all; and
 - kick start the **next wave of Metrolink extensions** with the Airport Terminal 2 scheme and development work on the **priorities for future extensions**
- (b) Decarbonising our transport system by making a step-change in the electrification of the transport fleet
- (c) Maximising the long term sustainable growth impacts of HS2 by securing stable funding for the development of HS2 growth area local transport connectivity schemes
- (d) Maintaining and managing the performance of our existing transport network by addressing **maintenance priorities** focusing on the Key Route Network (KRN) and safety and operationally critical renewals to our light rail network Metrolink

3.4 On this basis, the following summary investment table sets out the outline of the funding ask and match funding proposal for GM:

CRSTS Pipeline as part of wider GM Pipeline

Programme	CRSTS Funding	Local Contribution	CRSTS Total	Developer Contribution	Other Funding	Pipeline Total
Proposals to create momentum behind our ambitions for bus priority and QBT (including stops) in-line with a London-style Public Transport network and make a step change in the electrification of the transport fleet						
Bus Programme	£184m	£80m	£264m		£270m	£534m
Bus Priority Package	£30m		£30m			£30m
Corridor Upgrades Package	£21m		£21m			£21m
BRT Package	£2m		£2m			£2m
Quality Bus Corridors Package	£106m		£106m			£106m
Depots Package		£80m	£80m			£80m
Electric Bus Package	£25m		£25m		£270m	£295m
Proposals to support levelling up via town centre regeneration and opening up growth locations with Streets for All measures, including sustaining momentum in active travel investment.						
Active Travel Programme	£63m		£63m		£100m	£163m
Active Travel Package	£63m		£63m			£63m
Streets for All Programme	£209m		£209m	£24m		£233m
Town Centre Schemes Package	£105m		£105m	£10m		£115m
Corridor Schemes Package	£91m		£91m	£14m		£105m
Integrated Network Package	£13m		£13m			£13m
Proposals to improve the quality and accessibility of our Bee Network passenger facilities to deliver a seamless, safe travel experience for all						
Rail Programme	£49m		£49m	£1m	£0m	£50m
Access for All Package	£20m		£20m			£20m
Station Improvements Package	£7m		£7m	£1m		£8m
New Stations Package	£22m		£22m			£22m
Stops & Interchanges Programme	£82m	£20m	£102m	£12m	£50m	£164m
Interchanges Package	£45m		£45m			£45m
Travel / Mobility Hubs Package	£31m		£31m	£12m	£50m	£93m
Stop Improvements Package	£26m		£26m			£26m
Proposals to kick start the next wave of Metrolink extensions with the Airport Terminal 2 scheme and development work on the priorities for future extensions						
Future Metrolink Programme	£116m	£29m	£145m		£6m	£151m
New Metrolink Extensions Package	£67m		£67m			£67m
Tram Train Package	£78m		£78m		£6m	£84m
Proposals for the development of HS2 growth area local transport connectivity extensions						
HS2 Programme	£125m		£125m		£38m	£163m
HS2 Piccadilly Connectivity Package	£86m		£86m			£86m
HS2 Airport Connectivity Package	£14m		£14m			£14m
HS2 Stockport Connectivity Package	£15m		£15m		£38m	£52m
HS2 Wigan Connectivity Package	£11m		£11m			£11m
Proposals to address maintenance priorities focusing on the Key Route Network (KRN) and safety and operationally critical renewals to our light rail network Metrolink						
Metrolink Renewals Programme	£21m	£41m	£62m			£62m
Metrolink Renewals Package	£21m	£41m	£62m			£62m
Highway Maintenance Programme	£238m		£238m			£238m
Core Highway Maintenance Package	£175m		£175m			£175m
Bus Renewals Maintenance Package	£13m		£13m			£13m
Strategic Maintenance Package	£50m		£50m			£50m
Minor Works and Road Safety Programme	£104m		£104m			£104m
Minor Works and Road Safety Package	£104m		£104m			£104m
	£1,190m	£170m	£1,360m	£37m	£464m	£1,860m

- 3.5 Section 2 also highlights those investment programmes that will extend beyond the initial five-year period, highlighting the importance of longer-term funding for rapid transit and HS2 investment programmes in particular.
- 3.6 In Section 3, the Prospectus sets out how each of these elements contribute to the achievement of objectives for growth and productivity; levelling up and decarbonisation, with all benefits expected to be magnified significantly if the package is both delivered as a whole and, crucially, as part of the wider vision for the Bee Network.
- 3.7 Section 3 also sets out the commitment to the principle of local funding as set out in the National Infrastructure Commission's recommendation; describes how GM has demonstrated this in practice with significant local contributions to the Greater Manchester Transport Fund ("GMTF") and bus franchising; and, in responding to the requirement for the submission to demonstrate a local funding commitment of 15%-20% against the capital enhancement elements, summarises how the proposed local contribution of 20% (£170 million) - the upper bound of the Government's indicated range - will be funded.
- 3.8 It concludes with a value for money statement – with a commitment to continue to work with Government officials on the review of VfM, given the limited time that has been available to compile the submission, particularly with regard to ensuring that carbon benefits are rigorously understood and prioritised against. The Prospectus also includes a statement on GM's delivery capabilities.
- 3.9 Further information on the case for each element of the submission and further detail on the outline funding strategy is contained in material which will be presented in Part B of this meeting, reflecting the draft nature of this material in what is an emerging funding competition and policy that will be refined through the forthcoming Spending Review. It is intended that all material will be brought into the public domain as negotiations conclude and the CRSTS policy is confirmed with Government.

4. Next Steps

- 4.1 Subject to the Combined Authority's approval, the Prospectus and supporting documentation will be submitted to DfT for review and consideration through the Spending Review. Government has not set out a defined timescale for that process. However, we would advise that a conclusion should be reached in the calendar year so as to enable mobilisation for delivery from the start of 2022/23.
- 4.2 TfGM officers will seek to remain in close dialogue with DfT officials so as to inform GMCA on the progress of this review, the outcome of which will be reported formally as soon as it is confirmed.