

## Greater Manchester Combined Authority

Date: 28 January 2022

Subject: City Region Sustainable Transport Settlement Draft Programme Case

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

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### Purpose of Report

This is a report to update members on the process to secure a City Region Sustainable Transport Settlement for Greater Manchester, and to request delegation of the consideration, approval and submission to Government of the draft CRSTS Programme Case to the Chief Executive Officer, GMCA and TfGM in consultation with the GM Mayor.

### Recommendations:

#### The GMCA is requested to:

1. Note that GMCA, as requested by Government on 20 July 2021, prepared and submitted to the Government's City Region Sustainable Transport Fund in early September, as part of the process to secure up to £1.19 billion of capital funding for the period 2022/23 to 2026/27;
2. Note that on 22 November 2021, the Secretary of State wrote to the GM Mayor to say that GMCA had been awarded an indicative allocation of £1.07 billion of capital funding conditional on the submission of a programme business case by the end of January 2022;
3. Note the key planning assumptions that the draft Programme Case is based upon as set out in section 3 of this report;
4. Delegate the consideration and approval of the draft Programme Case to the Chief Executive Officer, GMCA and TfGM in consultation with the GM Mayor and for submission to Government; and
5. Request that, following further review by Government and the announcement of the final award from Government, the final Programme Case will come to GMCA for approval.

### Contact Officers

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TAMESIDE

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## 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		
<b>Further Assessment(s):</b>	Equalities Impact Assessment and Carbon Assessment	
 <b>Positive</b> impacts overall, whether long or short term.	 <b>Mix of positive and negative</b> impacts. Trade-offs to consider.	 <b>Mostly negative</b> , with at least one <b>positive</b> aspect. Trade-offs to consider.
		 <b>Negative</b> 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 28,000 tonnes saving that can be secured through the conversion of 33% 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	#DIV/0!	No new build residential as part of bid, only transport infrastructure to enable access and encourage behaviour change.
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. Strategy will incentivise active travel and public transport and reduce traffic in town/city centres
Access to amenities		
Vehicle procurement		Whole life carbon costs to be considered during procurement (electric buses)
Land Use		
Land use	#DIV/0!	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. As noted in the report, the revenue consequences as a result of the proposals in this report are related to the Bus Service Improvement Plan, which is going through a separate funding process with Government. Any ongoing revenue implications of capital schemes will be noted in the CRSTS Programme Case and 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 £1.07 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: 0**

## **Comments/recommendations from Overview & Scrutiny Committee**

N/A

## **Background Papers**

- Greater Manchester 2040 Strategy and Delivery Plan – [tfgm.com/strategy](https://tfgm.com/strategy)
- City Region Sustainable Transport Settlement Prospectus, Report to GMCA, Sept 10<sup>th</sup> 2021

## **Tracking/ Process [All sections to be completed]**

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?

Yes - This key decision was not able to be published in the register with 28 days notice as the deadlines set by the DfT have not enabled this to happen.

## **GM Transport Committee**

N/A

## **Overview and Scrutiny Committee**

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.
- 1.2 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.
- 1.3 At its meeting on 10<sup>th</sup> September, GMCA approved the submission of the Prospectus based upon the upper bound guideline of £1.19bn for government consideration as part of the 2021 Spending Review process.
- 1.4 This report sets out:
  - Feedback from Government on the Prospectus submission;
  - The principles and planning assumptions for the draft GM Programme Case submission; and
  - Next steps.

## 2. Government Response to GM CRSTS Prospectus

- 2.1 At the conclusion of the Spending Review in October 2022, GM's CRSTS proposals received an indicative allocation with funding to 90% of the Prospectus submission (£1.07bn against the £1.19bn submission).
- 2.2 On 22 November 2021, the Secretary of State wrote to the GM Mayor to say that GMCA had be allocated an indicative £1.07 billion of capital funding conditional on the submission of a programme business case by the end of January 2022, noting that initially the Secretary of State letter requested submissions by 14<sup>th</sup> January. The programme business case should set out the outcomes that the expected to be achieved and how they meet the objectives of programme.
- 2.3 The Secretary of State letter, supported by other feedback from Government, set out the following points that need to be considered by GMCA is developing the programme business case with regards to funding and prioritisation:

### *Scope and Funding*

- i. If the programme business case (including its outputs and outcomes) do not meet the Government's requirements the indicative allocation will be reduced.

- ii. Apart from highways maintenance, Government does not expect to fund many schemes where the primary purpose is not public transport or active travel.
- iii. The reprioritisation should assume that GM receives no further capital funding via the Bus Service Improvement Plan process.
- iv. The programme business case should include the local contribution of at least 15-20% of the grant for capital enhancements, with the contribution being “additional to the amounts you already raise through fares, tolls or charges as of summer 2021”.
- v. There is a clear need for a more flexible settlement model that has agreed principles and links to parallel funding policies, such as BSIP and the Levelling Up Fund. DfT has committed to provide further advice on this arrangement.

*Prioritisation towards Bus and Active Travel*

- vi. Aligned with the National Bus Strategy, Government expects to see bus lanes on any road where there is a frequent bus service, congestion, and the physical space to install one.
- vii. Active travel schemes must meet the standards set out in Local Transport Note 1/20, including separation from volume traffic. All local road projects should deliver or improve cycling and walking infrastructure (unless it can be shown that there is little or no need to do so) and support bus priority measures (unless it is very clear that doing so would not be necessary or appropriate).
- viii. Following the publication of the Integrated Rail Report in November 2021, government have stated that they will provide further guidance to GMCA on the implications of the changes to the HS2 P2b programme in respect of the GM’s HS2-related proposals in the CRSTS Prospectus.

2.4 The Secretary of State letter also set out that, additional to the revenue funding provided in 2021/22, Government is committed to providing further funding to support the development and delivery of CRSTS settlements. In 21/22 GMCA received £8.6m from a national pot of £50m, and government are looking to provide a similar level across the eight participating MCAs in 2022/23 though the allocation criteria may change, then £25m in 2023/24 and £25m in 2024/25. No further information has been received on this funding as of 21<sup>st</sup> January.

### **3. Principles and Planning Assumptions Informing the draft CRSTS Programme Case**

- 3.1 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:
  - o providing real public transport and active travel choices for all;
  - o promoting sustainable travel behavioural change through integrated city region planning; and
  - o 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.

3.2 Based upon this agreed approach, and to allow GMCA to respond to Government's feedback and hence develop a draft Programme Case from the baseline position set out in the Prospectus, the following principles are proposed.

- The allocation for maintenance programmes on highway and maintenance will be retained.
- The delivery of GM's ambition to deliver zero-emission buses, as set out in the BSIP, should be a priority with a target to convert 33% of the existing bus fleet to zero emission by 2027 through CRSTS and ZEBRA funds, as part of the roadmap to convert all of the fleet to zero emission by 2032. The GM ZEBRA bid is included as a separate item on this agenda.
- A level of over-programming will be included within the submission.
- The £170m local contribution funded from additional GMCA borrowings will be maintained.

3.3 Given uncertainty regarding several key policy positions, the following planning assumptions will need to be made to allow CRSTS Programme Case to be submitted to govt by the end of January.

*Flexible Funding Settlement*

3.4 There is a clear need for a more flexible settlement model that has agreed principles and links to parallel funding policies, such as BSIP and the Levelling Up Fund. This could be based round establishing first two-year deliverables and an outline pipeline against a clear 5-year funding commitment from Government, with further confirmation of medium-term priorities following further development work.

3.5 DfT has committed to provide further advice on this arrangement. In advance of receiving this guidance, the CRSTS Programme Case submission will need to make the following assumptions:

- While it is proposed that the CRSTS Programme Case will include BSIP capital elements, a number of these will require revenue funding to cover operational costs. Therefore, in advance of the BSIP announcements, the draft CRSTS Programme Case submission will set out the incremental revenue funding required for the 3 years of BSIP to deliver these proposals.

- Given the uncertainty in some policy areas which will affect the level of funding in some areas, a degree of over-programming should be allowed for within the draft and final CRSTS Programme Cases.

*HS2 in the period 2022/223 to 2026/27*

- 3.6 In the absence of a clear programme of activity from government, the GM CRSTS Programme will assume that no local funding will be required for physical works within the period, and that only budget required will be for HS2 development activity covering the four 'HS2' stations within GM.

## **4. Next Steps and Recommendations**

- 4.1 Subject to approval by the Combined Authority, the draft Programme Case submission will be submitted to Government by the end of January. Following review by Government, it is expected that DfT will make a final funding award and, once this is received, the final CRSTS Programme Case will be produced and published. This is currently expected to be by the end of the March 2022.
- 4.2 The recommendations are as per the front page.