

GREATER MANCHESTER TRANSPORT COMMITTEE

Date: Friday 9th December 2022

Subject: City Region Sustainable Transport Settlement Programme

Report of: Transport Strategy Director, TfGM

Purpose of Report

To update Members of the Transport Committee on the development and delivery of the transport infrastructure pipeline being funded through the City Region Sustainable Transport Settlement.

Recommendations:

1. Note the background, intended outcomes and key interdependencies in relation to GM's City Region Sustainable Transport Settlement (CRSTS) funded programme;
2. Note the progress that has been made in relation to the development and delivery of the programme to date;
3. Note the key challenges relating to the programme; and
4. Request that a further report providing an update on progress be brought to this Committee in Spring 2023.

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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			
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

The CRSTS programme comprises a carefully constructed investment pipeline that directly addresses our shared drive to enhance productivity, level up and secure real reductions in carbon emissions. 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 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	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

An assessment of the risks affecting schemes is undertaken at regular intervals throughout their development and delivery; risks are also assessed at programme level with key risks and issues escalated as required. To mitigate the risk of monetary claw back the full programme is carefully monitored against the grant conditions and further action would be taken as necessary.

Legal Considerations

Legal Delivery Agreements and legal side-letters will be produced and implemented for full scheme development and delivery cost approvals as appropriate, with the relevant GM local authority partners.

Financial Considerations – Revenue / Capital

Revenue

The CRSTS allocation includes the funding for Highways Maintenance Block, Potholes Fund and Integrated Transport Block, which GMCA will continue to receive as revenue grant funding. Over the five-year period of the programme this relates to £175m of the £1.07 billion allocation.

Capital

The CRSTS capital funding from the £1.07 billion is £895m to be paid over the five-year period of the programme.

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

GMCA Capital Programme 2021/22 – 2024/25 - 11 February 2022

The Mayor's Cycling and Walking Challenge Fund (MCF) – 27 May 2022

City Region Sustainable Transport Settlement Draft Programme Case Interim Award – 25 March 2022

City Region Sustainable Transport Settlement – Final Scheme list – 24 June 2022

GM Capital Update Report – 29 July 2022

30 September 2022 – GMCA CRSTS Governance and Assurance

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?

No

Overview and Scrutiny Committee

N/A

1 Introduction

- 1.1 A key area of work for the committee, as set out in its Terms of Reference, is to oversee the delivery of agreed Local Transport Plan commitments. This includes the active oversight of the transport capital programme.
- 1.2 This report provides an overview of Greater Manchester's City Region Sustainable Transport Settlement (CRSTS), a £1.07bn fund (increased to £1.24bn through the addition of £0.17bn of local funding) to enable the delivery of GM's Transport Capital Programme over the next five years. The report sets out the programme developed by TfGM and GM local authorities, and agreed by Government, with a view to the Committee taking an active role in the oversight of the programme's delivery.

2 Background

- 2.1 Following on from the invitations extended to all Mayoral Combined Authority areas by HM Government, Greater Manchester (GM) submitted its CRSTS Prospectus in September 2021 requesting funding totalling £1.19bn for the financial years covering 2022-2027 to support the delivery of its transport ambitions.
- 2.2 Through the November 2021 Spending Review, GM was awarded an indicative allocation of 90% of this ask and, via a letter from the Secretary of State in late November 2021, was asked to submit a detailed Programme Case which also included provision for the capital elements of GM's Bus Services Improvement Plan (BSIP).
- 2.3 Following a "challenge workshop" with Government in December 2021 where GM received feedback from HMG on the schemes within the Prospectus, the GM CRSTS Programme Case was submitted at the end of January 2022 and constituted a reduced overall budget of £1.07bn, including additional BSIP capital elements in relation to Zero Emission Buses and integrated ticketing and customer information measures.
- 2.4 At the start of April 2022, the Secretary of State wrote to the GM Mayor to confirm that GM would receive the full amount of the indicative allocation of £1.07bn,

subject to a number of conditions and the application of the GM Local Growth Assurance Framework.

- 2.5 A final scheme list outlining the programme of interventions to be delivered through this funding allocation was approved by GMCA in June 2022, and subsequently submitted to HM Government for approval in the form of a Delivery Plan in early July 2022.
- 2.6 A letter to the GM Mayor from the Secretary of State confirming acceptance of GM's Delivery Plan was subsequently received in late July 2022.

3 Investment Priorities and Outcomes

- 3.1 The funding awarded to GM through the City Region Sustainable Transport Settlement (CRSTS) in April 2022 is being utilised to develop and deliver a range of transport infrastructure interventions that will support the implementation of the Greater Manchester Bee Network.
- 3.2 The Bee Network is Greater Manchester's vision for an integrated 'London-style' transport system, which will change the way people travel across the City Region.
- 3.3 The primary objectives of the Bee Network are as follows:
 - To provide a consistent and high-quality user experience across all travel in all parts of GM;
 - To promote 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
 - To promote levelling up through the provision of sustainable transport connectivity to key growth locations and the provision of affordable transport options for all our communities.
- 3.4 The CRSTS term covers the 5 financial years from 2022-2027. GM's CRSTS funding award totals c.£1.24bn, which comprises the £1.07bn of Government funding referred to above and £0.17bn of local funding, with the key priorities targeted by Government for deployment of the funds aligning closely with GM's Bee Network primary objectives, as follows:

- Growth and productivity;
- Levelling up; and
- Decarbonisation, 'especially modal shift to public transport and active travel'.

3.5 To ensure alignment between the CRSTS and GM's Bee Network objectives, the CRSTS scheme list approved by GMCA in June 2022 is predicated on the following investment priorities:

- Creating momentum behind our ambitions for bus priority and QBT as part of the London-style Public Transport network;
- Making a step change in the electrification of the bus fleet;
- Sustaining the momentum behind Active Travel (alongside the MCF programme);
- Improving the rail offer via new and more accessible rail stations;
- Supporting levelling-up via town centre regeneration and opening-up growth locations with Streets for All measures;
- Developing the next wave of Metrolink extensions;
- Developing the local transport connectivity and regeneration potential of HS2 growth areas (Piccadilly, Airport, Stockport, Wigan); and
- Addressing maintenance priorities – focusing on the local authority highway network, KRN and safety critical Metrolink programmes.

3.6 The approved Scheme List is summarised in the table below.

Scheme List	Total GM Allocation (£'m)	Local Contribution	Total Funding
Bus	359	80	439
Rail	44	-	44
Stops & Interchanges	48	15	63
Future Metrolink	67	34	101
HS2	85	-	85
Metrolink Renewals	21	41	62
Active Travel	54	-	54
Streets for All	135	-	135
Highway Maintenance:	220	-	220
▪ Core Maintenance	175	-	175
▪ Strategic Maintenance	45	-	45
Minor Works/ Road Safety	82	-	82
Early-stage scheme development	22	-	22
Overprogramming	(66)	-	(66)
Total	1,070	170	1,240

- 3.7 The Delivery Plan, comprising the individual schemes that make up the above Scheme List (Appendix A), was confirmed by DfT in a letter received by GM in July 2022 (Appendix B).

4 Alignment with existing programmes

- 4.1 The CRSTS programme brings together new and existing funding streams and aligns capital infrastructure investment with Bus Reform (revenue) funding programmes.

Bus Reform

- 4.2 GM has a well-publicised ambition of delivering a London-style transport network – the Bee Network – with integrated transport modes, London-level fares and modern low-emission bus fleet.
- 4.3 Bus Reform is pivotal to the successful delivery of the Bee Network and is a key dependency of the CRSTS funded Pipeline.
- 4.4 Whilst funding for Combined Authorities to plan for and implement Government’s objectives for major improvements local and regional bus operations – as set out in its National Bus Strategy “Bus Back Better” (published in March 2021) – was made available to bid for through the Bus Service Improvement Plan (BSIP), following feedback from Government in December 2021, key elements of GM’s BSIP proposals that required capital funding were included in the CRSTS Programme Case.
- 4.5 Throughout the bidding processes for both CRSTS and BSIP funding, GM coordinated both bids to maximise the potential to successfully plan for, launch and operate a GM controlled bus network. This was achieved by incorporating c.£220m (including £80m of local funding) of key Bus Reform scope – that couldn’t be funded through BSIP – into the Bus Programme within the CRSTS bid submission, which was subsequently approved by DfT, as follows:
- Zero emission buses (£90m), Bus franchise depots (£80m to be fully funded via GM’s local contribution) and Depot charging infrastructure (£25m) – to invest in electrification of the GM bus fleet to deliver a zero-emission bus fleet by 2032, with an interim target of reaching 33% of the fleet by 2027. The

CRSTS will fund electrification of bus depots, and build upon earlier phases of fleet electrification from ULEB and ZEB (current and future bids) to achieve this goal.

- Integrated Fares, Ticketing and Customer Information measures (£27m) – to deliver a platform enabling passengers to move from one bus to another, or on to a tram, without having to buy another ticket, just tapping on and tapping off with a daily cap on what it will cost.

Maintenance

4.6 The CRSTS funding settlement subsumes funding previously provided directly to Local Authorities (including the Integrated Transport Block) to invest in core maintenance and minor works/ road safety schemes and to GM to invest in asset renewal across the Metrolink network. In addition, a further allocation for strategic highway maintenance has been made available to local authorities within GM's CRSTS, taking the overall investment in GM's Local Authority maintenance programmes to c.£300m.

Established Programmes

HS2

4.7 HS2 Phase 2b is currently progressing through Parliament via the Hybrid Bill process and GM has invested significantly in the development of proposals to ensure connectivity at the key touchpoints affected by the Phase 2b alignment is optimised. In addition to responding to the Hybrid Bill, work is underway to consider connectivity options at key locations including Piccadilly, Manchester Airport, Stockport and Wigan within a budget of £25m funded through CRSTS. The CRSTS programme also includes an allowance of £60m for enabling works, including utility diversions.

Active Travel

4.8 GM's Active Travel (AT) programme of cycling and walking has been underway for more than 5 years and has been given a further boost with an additional £54m of funding provided through GM's CRSTS, which will be used to support the

development and delivery of schemes that collectively exceed the balance of funding available through the existing Mayor's Challenge Fund (MCF) and wider AT programme.

Metrolink Maintenance & Renewals

4.9 In addition to what was previously the ITB maintenance funding, mentioned in section 4.6 above (ie, c.£8m awarded by GMCA in 22/23), a further £21m of CRSTS funding has been allocated to TfGM/ GMCA towards the ongoing Metrolink renewals programme, supplemented with a local contribution of £41m, increasing the investment to c.£70m.

5 2040 Strategy

5.1 In addition to investing in existing, interdependent programmes, as set out in section 4 above, GM has allocated significant CRSTS funding towards the development and delivery of a broad range of transport interventions set out in GM's 2040 Transport Strategy.

Fixed Track

5.2 In addition to the existing HS2 and Metrolink renewals programmes, outlined above in paras 4.7 and 4.9, GM's Fixed Track programme comprises the following:

- Stops and Interchanges (c.£63m), including: delivery of New Stops and Interchanges (Bury Interchange redevelopment – noting that completion of the scheme is scheduled to complete beyond the 2027 CRSTS period); development and delivery of Travel/ Mobility Hubs; development and delivery of Stop Improvements and New Stops;
- Rapid Transit (c.£101m), including: development of New Metrolink Stations; and a Tram Train programme incorporating development of Next generation Vehicles and an Infrastructure Pathfinder project; and
- Rail (c£44m) including: development and delivery of the remaining AfA stations; development of Station Improvements; and New Stations (including delivery of Golborne Station).

Streets for All (SFA)

5.3 In addition to the ongoing Zero Emission Bus package and Active Travel programme, as outlined above in paras 4.5 and 4.8, GM's Fixed Track programme comprises the following:

- Bus Programme (c.£220m), including: delivery of QBT, City Centre Bus Connectivity, Pinch-points/ maintenance; and development of future bus corridor upgrades;
- Local Authority Town Centre/ Corridor (SFA) Programme (c£135m);
- Electric Vehicle Charging Infrastructure (EVCI) – separate to the Bus reform charging infrastructure (c.£8m).

6 Pipeline approach to development and delivery

6.1 GM is developing a “whole pipeline” or end-to-end approach to the development and delivery of its capital infrastructure, by aggregating all related strategies and funding streams into a single Pipeline approach. Oversight of the Bus Services Improvement Plan (BSIP), Active Travel Funding, Levelling Up funding etc have been brought together with the CRSTS and existing (e.g., Local Growth Deal) programmes to optimise outcomes, from inception and bidding stages, through scheme development and delivery and the post scheme opening stages (including benefits realisation and post-scheme monitoring and evaluation).

6.2 This approach will enable GM to maximise outcomes by moving away from isolated funding streams, which often limit potential outcomes by focussing on one set of criteria, to having oversight across the full extent of opportunities that collating and coordinating all related funding streams brings. The whole pipeline approach will also maximise investment in outcomes that will deliver GM's strategic vision for transport interventions, as set out in the 2040 Strategy.

6.3 In support of the whole pipeline approach, and in recognition of the challenges of developing and delivery new transport infrastructure within the 5-year CRSTS timescale, c.£70m of scheme development – as set out above in sections 4 and 5 – has been allocated to development of longer-term schemes, which will form the basis of GM's future CRSTS funding proposals. These schemes developing and assess options for schemes including rapid transit, tram train, rail stations,

bus corridor schemes, which by their nature involve detailed planning and approvals processes often requiring close collaborative working with organisations such as Network Rail.

7 Progress to Date

- 7.1 Initial preparatory work in relation to the CRSTS pipeline began in 2020/21, with the allocation of Transforming Cities Funding (TCF) to the GM Local Authorities and TfGM to enable development of initial proposals for schemes that would subsequently enable GM to prioritise and agree an Approved Scheme List. As detailed above, this was achieved in June 2022.
- 7.2 To oversee the early development of the Scheme List and prepare for mobilisation upon the award of CRSTS funding, a central programme team was established, which complemented the mobilisation of the programme and project teams across the Local Authorities and TfGM.
- 7.3 Specific, new, arrangements were put in place to combine the capabilities of the individual Local Authority led programmes, including the establishment of management, co-ordination and liaison structures and the provision of resource expertise.
- 7.4 A set of Governance and Assurance arrangements for the CRSTS programme, which are in line with the Single Pot Assurance Framework agreed with Government and broadly reflect the arrangements previously adopted for other major programmes of investment such as the Local Growth Fund (LGF), has been developed in conjunction with Local Authority partners, and these were approved by GMCA in September 2022.
- 7.5 These Governance and Assurance arrangements include the following:
 - Levels of business case development, appraisal and gateway assurance proportionate to a scheme's stage of development, as determined through an established assessment process of scheme complexity (CIFTER Framework);
 - Business case development and assessment criteria in line with the requirements of the HM Treasury Green Book;

- CIFTER and Business Cases Gateway Approvals undertaken by suitably independent and experienced team members sourced from both Local Authority partners and TfGM;
 - Business Case approvals at established Boards comprising senior officers from TfGM and, where appropriate, Local Authority partners; and
 - Recommendations for schemes to draw-down funding submitted to GMCA for approval, subject to Business Case approvals.
- 7.6 As at the end of November 2022, 14 schemes have achieved Strategic Outline Business Case (SOBC) approval. Including the release of maintenance funding and approval given for the commencement of electric bus fleet procurement, over £110m of capital funding has been approved for draw-down by GMCA.
- 7.7 As set out in the Delivery Plan (Appendix A), the majority of the CRSTS funded programme will achieve Full Approval between 2023 and 2025, with the majority in construction between 2025 and 2027.
- 7.8 GM's CRSTS programme includes three schemes which have been designated as 'Retained Schemes' by DfT, in recognition of their complexity and / or requirement for funding beyond the current CRSTS settlement period. Following rigorous due diligence of the Strategic Outline Business Case, the first of these, the Bury Interchange redevelopment scheme, has been submitted to DfT for review and approval in line with national requirements for Retained Schemes.
- 7.9 The two other Retained Schemes within the CRSTS funded programme are Golborne Station and the Tram-Train Pathfinder. Development work in relation to these schemes is ongoing and it is intended that they will be submitted to DfT in due course. We will continue to liaise closely with DfT, and to identify and implement any lesson learned following the completion of DfT's review of the Bury Interchange scheme.
- 7.10 In support of HM Government's growth agenda, DfT has instigated a national review of CRSTS-funded schemes, with particular focus on the potential to accelerate delivery. From a GM perspective, the Rochdale – Oldham – Ashton Quality Bus Transit (QBT) scheme, for which the SOBC was approved by GMCA in July 2022, has been selected. Following an initial review with DfT, detailed work is now being undertaken to both expedite the delivery of this scheme and identify further opportunities within the GM pipeline for scheme acceleration.

8 Challenges

- 8.1 Even at such an early stage of the 5-year CRSTS lifecycle, challenges have arisen in relation to the development and delivery of the CRSTS programme, not least because of the significant increase in inflation that has materialised since the Programme Case was compiled and submitted to DfT in January 2022.
- 8.2 These inflationary pressures have exacerbated the challenges already inherent in the programme, including: the extent of over-programming (included partly to ensure there was a sufficiently robust prioritised list of schemes in place to replace any schemes that may fall out of the programme) and an overall increase in budgetary pressures experienced across the public sector, including those impacting on GM's capacity to fund ongoing Metrolink maintenance and renewals in light of the significant reduction in revenues experienced during the COVID pandemic.
- 8.3 These challenges are being kept constantly under review with a view to any necessary mitigation measures being identified and implemented where appropriate and reported to both GMCA and the Transport Committee in due course.

9 Recommendations

- 9.1 Note the background, intended outcomes and key interdependencies in relation to GM's City Region Sustainable Transport Settlement (CRSTS) funded programme;
- 9.2 Note the progress that has been made in relation to the development and delivery of the programme to date;
- 9.3 Note the key challenges relating to the programme; and
- 9.4 Request that a further report providing an update on progress be brought to this Committee in Spring 2023.

Steve Warrener

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Appendix A – Delivery Plan



Annex A - GMCA
CRSTS Delivery Plan.p

Appendix B – DfT letter confirming GM's CRSTS Delivery Plan

Letter



Grant Shapps - Andy
Burnham GMCA CRS1