

Greater Manchester Combined Authority

Date: Friday 24th June 2022

Subject: City Region Sustainable Transport Settlement - Final Scheme List

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

Purpose of Report

The purpose of this report is to update GMCA on the proposed final Scheme List for the City Region Sustainable Transport Settlement.

Recommendations:

The GMCA is requested to:

1. Note that GMCA, as requested by Government, prepared and submitted a Programme Case to the Government's City Region Sustainable Transport Fund in January 2022;
2. Note that on 1st April 2022, the Secretary of State wrote to the GM Mayor to say that GMCA had been awarded an allocation of £1.07 billion of capital funding conditional on the agreeing a final Scheme List; and
3. Delegate the consideration, approval and submission to Government of the final CRSTS Scheme List to the Chief Executive Officer GMCA and TfGM in consultation with the GM Mayor.

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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:

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 condifered 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, though the report will bring together

Financial Consequences – Revenue and Capital:

There are no direct financial considerations related to this report

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
- City Region Sustainable Transport Settlement Prospectus, Report to GMCA, 10 September 2021.
- City Region Sustainable Transport Settlement Draft Programme Case, Report to GMCA, 28 January 2022

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?

No.

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1 Introduction

1.1 The purpose of this report is to update GMCA on the proposed final Scheme List for the City Region Sustainable Transport Settlement.

1.2 The paper sets out:

- the background to CRSTS and the Programme Case submission in January;
- the response from Government to the Programme Case;
- the proposed changes to the GM CRSTS Programme;
- the proposed final CRSTS Scheme List; and
- next steps.

2 Government Response to GM Programme Case

2.1 In September 2021, GM submitted its CRSTS Prospectus to government for the upper level of the budget guideline, namely £1.19bn of capital funding. At the November Spending Review, GM was awarded an indicative allocation of 90% of this ask, and, via a letter from the SoS dated 22nd November 2021, was asked to submit a detailed Programme Case, which also included provision for the capital elements of the BSIP bid.

2.2 Following a 'challenge workshop' in December 2021 where GM received feedback from HMG on the schemes within the GM CRSTS Prospectus, the GM CRSTS Programme case was submitted at the end of January 2022 and included a reduced overall budget of £1.07bn; and included the additional BSIP capital elements including £100m for Zero Emission buses and £30m for ticketing and customer information systems.

2.3 On 1st April 2022, the SoS wrote to the GM Mayor to confirm that GM would receive the full amount of the indicative allocation of £1.07bn, subject to further discussion with officers on three schemes and subject also to agreeing to a series of conditions.

2.4 The outstanding issues are:

- Pressure on GM to reduce the funding allocation to three schemes (Metrolink Stop Improvements, Travel Hubs and Greek St Bridge) that HMG have expressed concerns about regarding their relative importance given the challenging funding environment;
- A review of the level of bus priority GM are planning to introduce on radial routes to the Regional Centre to enhance existing provision and their link to the BSIP revenue funded services; and
- GM confirming inclusion of up to £60m of utility costs associated with HS2 Piccadilly.

2.5 Locally, the ongoing challenge posed by Metrolink revenues being very likely to remain below the level required to fund operating and financing costs, means that there will be a need for CRSTS capital grant to support Metrolink maintenance and renewals in the medium term, which will add to the need for ongoing re-prioritisation.

3 Potential Way Forward – CRSTS Capital Funding

Specific Schemes

3.1 Based upon the Secretary of State's (SoS) response to the draft GM Programme Case submission and discussions with HMG officers, it is proposed to revise the GM CRSTS Scheme List to reflect:

- revisions to specific schemes;
- further investment in bus priority;
- inclusion of HS2 related costs at Piccadilly; and
- revisions to reduce the level of over-programming required to incorporate the HS2 costs.

3.2 The funding allocation for the Metrolink Stop Improvements scheme will be reduced by £10m, and the scheme plans for the remaining £20m of funding reviewed with respect to:

- Delivering the necessary Bury Interchange Metrolink stop works and southern access;
- the Metrolink asset management strategy and the likely requirement to invest more capital funding into Metrolink Renewals and Enhancements;
- The ongoing Metrolink Network Review as part of the Local Transport Fund support to the network; and
- The GMCA's Market Renewal exercise to support patronage recovery on the network in a changed post-pandemic market, which is anticipated to include recommendations to address safety, security and access issues associated with ageing ex-heavy rail infrastructure such as those inherent at Heaton Park Metrolink stop.

3.3 The funding allocation for the Travel Hubs including Park & Ride schemes will be reduced by £10m, and the scheme plans for the remaining £11m of funding reviewed with respect to:

- Focusing the Travel Hubs concept on reducing car kilometres and driving access to rapid transit stops by sustainable travel modes;
- Ensuring the Travel Hubs concept supports GMCA's Market Renewal exercise which aims to support patronage recovery on the bus, rail and Metrolink networks; and
- Developing initial pilots for the Travel Hubs concept and making further investment in the concept conditional on a successful outcome to these pilots.

3.4 The funding allocation for the Greek Street Bridge scheme will be revised to reduce the CRSTS contribution from £8.7m to £4.1m and correspondingly increase the GMCA contribution from £3.3m to £7.9m, and to make the inclusion of the scheme within the GM CRSTS Scheme List conditional on successful completion scheme development activity which is expected to conclude in November 2022. It is proposed that the inclusion in the GM CRSTS programme conditional on the scheme development work being undertaken by Network Rail on the requirements for the structural improvement work on the bridge and TfGM's business case work on the Airport tram-train scheme. The latter work will determine whether there is a

potential case for the tram-train scheme, and hence a case to provide the required widening of the bridge structure in advance of final scheme approval.

- 3.5 The net effect of the changes to the above three schemes is that the CRSTS allocation reduces by £20m from £54m to £34m. Note that these changes in budget are in addition to the over-programming adjustments set out below.

Bus Priority

- 3.6 It is proposed that the City Centre Radials scheme within the City Centre Bus Connectivity package is almost doubled in scope with an additional £30m of investment. This funding will come from the £20m reduction in the CRSTS contribution to the schemes set out above and a reallocation of £10m from the existing Pinchpoint package to underline the increased focus on radials within the M60. This package will seek to expand the bus priority on the radials within the M60 from 25km to up to 60km. TfGM will develop the strategic outline business case for this package in conjunction with the relevant local authorities by March 2023.

Inclusion of HS2 related costs at Piccadilly

- 3.7 The SoS letter noted that “HS2 Ltd are forecasting a Greater Manchester apportioned spend on early utilities diversions of c. £60m (nominal) in 2025 and 2026 from the plans for Metrolink relocation at Piccadilly”. It is proposed that the final GM CRSTS Scheme List in July allocates up to £60m of funding early utilities diversions if these are required in the first CRSTS period. Agreement on this requirement will be reached via the existing HMG-GM HS2 Board.

Over-Programming

- 3.8 The draft GM CRSTS Programme Case in January 2022 was ‘over programmed’ by £70m, which, at 5.6%, was considered an appropriate level for a combined programme of £1.24bn including the local contribution of £170m. The inclusion of up to £60m of advanced HS2 utility works related to the new Metrolink stop at Piccadilly brings the over-programming to £130m, or over 10%. The proposed approach to resolving the over-programming challenge is as follows:

- a) Budgets for the projects will be as per the draft GM CRSTS Programme Case submission:

- Core highway maintenance (£175m)
 - ITB minor works (£80m); and
 - Metrolink renewals (CRSTS £20.5m, plus £40m GMCA contribution)
- b) Budgets for projects and programmes seeking Conditional Approval in FY22/23 will be required to have a 10% budget reduction to their CRSTS contribution.
- c) Budgets for projects and programmes which are for development of future capital investments are required to have a 15% budget reduction across their 5-year CRSTS funding allocation.
- d) Budget reduction rates for projects and programmes seeking Conditional Approval in FY23/24 and beyond will be based upon an annual review of the CRSTS programme, which will consider:
- The remaining CRSTS funding that has not been committed to at least Conditional Approval stage;
 - Progress of projects and programmes through the scheme development process;
 - A review of CRSTS programme-level held contingencies; and
 - Availability of any additional funding.

3.9 Applying the above, the extent of over-programming of the CRSTS contribution would reduce from £130m to £54m, which is 4.4% and which is considered appropriate. It is proposed that over-programming will be reviewed following the finalisation of the overall GM CRSTS Programme (expected to be in July 2022) and then annually as part of the GMCA's budget process.

3.10 The impact by programme is shown below in the table below.

	<u>Programme Case, Jan '22</u>			<u>Proposed Scheme List, Jul '22</u>		
	GM Local Contribution	DfT Contribution	CRSTS Total incl Local Contribution	GM Local Contribution	DfT Contribution	CRSTS Total incl Local Contribution
Bus	£80m	£358m	£438m	£80m	£359m	£439m
Rail		£49m	£49m		£44m	£44m
Stops & Interchanges	£20m	£67m	£87m	£15m	£48m	£63m
Future Metrolink	£29m	£79m	£108m	£34m	£67m	£101m
HS2 Programme		£25m	£25m		£85m	£85m
Metrolink Renewals	£41m	£21m	£62m	£41m	£21m	£62m
Active Travel		£63m	£63m		£54m	£54m
Streets for All		£150m	£150m		£135m	£135m
Highway Maintenance		£225m	£225m		£220m	£220m
Minor Works/Road Safety		£104m	£104m		£97m	£97m
Overprogramming		-£70m	-£70m		-£59m	-£59m
	£170m	£1,070m	£1,240m	£170m	£1,070m	£1,241m

4 Recommendations

4.1 As per the front of this paper.