



Officer Decision Report

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

Tel: 0114 205 3804

Report to: *Strategy and Resources, Finance sub-committee*

Date of Decision: *22nd March 2023*

Subject: *Acceptance of City Region Sustainable Transport Settlement Revenue Grant*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i>				

Purpose of Report:

The purpose of this report is to provide the context for a recommendation to be accountable body for a revenue grant offer from South Yorkshire Mayoral Combined Authority (SYMCA), of £2,856,916, as part of the City Region Sustainable Transport Settlement (CRSTS) Fund. The funding will be used to design and deliver the first gateway outputs (Strategic Outline Business Case (SOBC) and Outline Business Case (OBC)) including programme level costs and other complementary activities (such as data collection, communications, training and publicity) of the transport projects identified within the SYMCA CRSTS business case submission to the Department for Transport.

This report seeks the approval to be accountable body for the revenue funding from SYMCA only. All future capital expenditure will be subject to compliance with the Council's budget processes, financial regulations and capital approval process, and the details, risks and financial implications will be included within the individual business cases for each project and submitted for authorisation via the capital approval process. Once the capital business unit has been approved, the revenue

spend will be capitalised – thus enabling a proportion of this fund to be recycled to develop other transport schemes within the programme.

Recommendations:

It is recommended that the Strategy and Resources Policy committee

- approves the Council as accountable body for the revenue grant offer from SYMCA of £2,856,916 as part of the CRSTS Fund.

Background Papers:

- Transport, Regeneration and Climate Change committee approved a report on the CRSTS programme at their meeting on 8th February 2023, accessed via the enclosed link [Sheffield City Council - Agenda for Transport, Regeneration and Climate Policy Committee on Wednesday 8 February 2023, 2.00 pm](#)
- SYMCA Grant Agreement

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: Alex Hill (30 th November)
	Legal/Legal commercial: Richard Cannon (20 th December 2022)/Courtney Hill (30 th January 2023)
	Equalities & Consultation: Ed Sexton (14 th December)
	Climate: Jessica Rick (28 th November)
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission: <i>Kate Martin</i>
3	Relevant Policy Committee <i>Strategy and Resources Policy Committee</i>
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 Decision Maker by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: <i>David Whitley</i>
	Job Title: <i>Transport Schemes Manager</i>
Date: 22nd March 2023	

1. PROPOSAL

- 1.1 This report seeks approval to be the accountable body for the revenue grant funding from the City Region Sustainable Transport Settlement (CRSTS) Fund 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.
- 1.2 CRSTS is the Department for Transport's (DfT) five-year local transport allocation administered through the South Yorkshire Mayoral Combined Authority (SYMCA). The five years covers the period 2022-2027.
- 1.3 The allocation and settlement will contain the next five years allocation of the Local and Neighbourhood Transport Complimentary Programme (LaNTP) – formally called the Local Transport Plan Integrated Transport Block (or just LTP) as well as the final year instalment of the Transforming Cities Fund and the future five-year major projects transport funding. This fund will therefore deliver the day-to-day improvements on the local network, as well as provide the funding for larger scale strategic interventions. This will build upon the work currently in progress to further develop a joined up and seamless network.
- 1.4 In April 2022 an award was made to SYMCA of £570m. Of the £570m, the allocation for SCC (excluding the final year TCF value) is £137m, which includes £19.5m for the LaNTP and a £50m (50%) contribution to SYMCA to the Supertram renewal project.
- 1.5 In addition to the Transport Settlement, the Department for Transport also awarded Revenue Funding of £5.2m for local authorities to commence project feasibility and development work of the transport projects. It is expected that there will be a second tranche of development funding, but the initial allocation confirmed for Sheffield for this work is £2.857m, the subject of this Officers decision Report.
- 1.6 The grant agreement that exists for this revenue funding source is between SYMCA (as accountable body) and SCC (the recipient). The terms and conditions of the grant are appended to this report.
- 1.7 The funding will be used to design and deliver the first gateway outputs (SOBC and OBC) of the transport projects as well as programme level costs and other complementary activities (such as data collection, communications, training and publicity) of the transport projects identified within the SYMCA CRSTS business case submission to the DfT.

- 1.8 The SCC led projects included within the business case submission to the DfT to be developed from the revenue grant are as follows:
- 1.8.1 **Active Travel Cross City Connections**
A series of scalable active travel network improvements which will seek to plug the gaps within the City Centre to the radial cycle links. Depending on the TCF2b and ATF1 and 2 projects being implemented, this project in the first instance seeks to maximise connecting with existing projects, with any surplus being used to connect other key destinations within the city centre.
- 1.8.2 It should be noted that SCC understand that cost increases within the TCF programme can be managed through reducing the scope of the CRSTS programme. In part due to the potential of developing improvements through other funding opportunities (including developer contributions), this scheme would likely be the first one where a decision not to progress would be made.
- 1.8.3 **Active Travel Northern Communities**
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. The focus on the corridor will be Sheffield City Centre to NGH.
- 1.8.4 **A61 Chesterfield Road Bus Priority**
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. The project will initially include options including a 250-space park and ride facility on the southern section of the route, currently identified as Meadowhead Sports Club. There is limited highway space for major intervention, although active travel crossing points at key locations and bus priority improvements (bus lane operation and enforcement) are anticipated on Chesterfield Road to the junction with Broadfield 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.
- 1.8.5 **Bus Priority - Northern Communities**
A scalable bus improvement project which envisages to deliver bus priority along the A6135 corridor from Sheffield City Centre to the northern communities of Chapeltown, Ecclesfield and Firth Park via the Northern General Hospital. The project 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.

1.8.6 **Bus Priority - Upper Don Valley**

A scalable bus improvement project which envisages to deliver bus priority along the A61 corridor from Sheffield City Centre to the northern communities of Stannington, Wisewood and Grenoside. The project will include the investigation of the major junctions on Penistone Road and Halifax Road as well as Holme Lane, including Hillsborough Corner. 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.

1.9 Further work is required to firm up the detail of all these proposals and additional reports and updates will be brought through the appropriate governance for decision as the projects progress.

2. **HOW DOES THIS DECISION CONTRIBUTE?**

2.1 The CRSTS revenue grant fund will be used to turn ideas into deliverable projects with developed and costed business cases that can deliver against the Council's strategic aims:

2.1.1 **The One Year Plan:**

- **Climate Change, Economy and Development:**
 - Taking immediate steps to reduce carbon emissions, tackling harmful pollution and making the air we breathe safer, while securing a sustainable future for public transport:
 - The projects are aimed at targeted investment in new and improved cycling and walking routes to support a modal shift from car to more sustainable transport methods, along with investment in public transport through bus priority improvements to make travel by bus a more attractive option.
 - Supporting Sheffield businesses to recover and grow, regenerating our high streets, establishing thriving city and local centres and maximising opportunities for arts and cultural activities in all parts of the city to support economic recovery:
 - Buses and active travel routes facilitate access to our high streets and various leisure attractions. By supporting access to key retail and leisure locations, buses and active travel routes provide a platform for further development which can help the economy grow. It also allows pre-existing business located within the region to grow their business through access to labour and wider market opportunities.

2.1.2 **Transport Strategy:**

- The Council’s Transport Strategy aims to create improved, sustainable, and safe transport networks for Sheffield. It is recognised that potential development can be constrained by poor transport infrastructure, which can subsequently result in access and connectivity issues. Improved connectivity is therefore a necessity to facilitate economic growth in Sheffield in a sustainable and inclusive way:
 - The CRSTS projects are named within the Transport Strategy, aimed at enhancing transport infrastructure that makes it easier for people to travel between places of work, home or study using sustainable modes of transport, thereby reducing congestion and supporting our city’s economic growth.

2.1.3 **Emerging Local Plan:**

- The Sheffield Plan will be the city’s new local plan and will guide development in the city until 2039. Sheffield’s overarching Vision set out in the Sheffield Plan: Our City, Our Future Publication (Pre-Submission) Draft is that “In 2039 Sheffield will be an economically stronger, fairer, more inclusive and sustainable city. It will be playing a nationally significant economic role at the heart its region, with thriving neighbourhoods and communities, and have a distinct urban and rural identity.” It also states that “The city’s prosperity will be underpinned by a strong, integrated and sustainable transport system, with most shorter trips carried out by bicycle or on foot”.
 - The CRSTS projects support the Sheffield Plan: Our City, Our Future Publication (Pre-Submission) Draft and have a fundamental role to play in achieving a successful transition to becoming a zero carbon clean and sustainable city, tackling poverty, improving health and reducing inequality; contributing to inclusive economic success and creates an attractive place where all can thrive regardless of background.

2.2 The CRSTS projects supports both the SYMCA Transport Strategy and South Yorkshire Strategic Economy Plan (SEP), as well as helping to achieve a number of the conditional outcomes regarding reduced car use and decreasing harmful greenhouse gases whilst promoting greater cycling trips and higher public transport patronage.

3. **HAS THERE BEEN ANY CONSULTATION?**

3.1 The projects chosen to be included within CRSTS are named within the Council’s Transport Strategy and Local Cycling and Walking Infrastructure Plan (LCWIP).

- 3.2 The Transport Strategy has been informed by an evidence base that has analysed current challenges, opportunities, strengths and weaknesses and also taken into account public feedback from consultation on the Transport Vision. That consultation enhanced knowledge about journey needs and local opinions on travel. The Strategy incorporates this knowledge as well as evidence from many local, national and international sources.
- 3.3 At the development stage of the SYMCA bid to the CRSTS fund 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 Department for Transport (DfT) and the alignment to the current Transforming Cities Fund proposals.
- 3.4 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.
- 3.5 The bid was submitted through the South Yorkshire Mayoral Combined Authority (SYMCA) in accordance with their governance process.
- 3.6 Transport, Regeneration and Climate Change committee approved a report on the CRSTS programme at their meeting on 8th February 2023.
- 3.7 On an individual project level, a full programme of consultation and engagement will be undertaken as more detailed proposals are developed.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 The CRSTS programme has been prepared to improve the quality of life of all our residents, regardless of their protected characteristics, by helping to improve accessibility to employment and essential services, to provide a reliable public transport alternative, and to deliver a more connected active travel network to enable a greater number of people to incorporate physical activity into their daily lives.
- 4.1.2 Individual Equality Impact Assessment will be undertaken as more detailed proposals are developed. These will show if there are any impacts on specific communities and how this has been consulted on and how any potential negative impacts will be mitigated, where possible.

4.2 Financial and Commercial Implications

4.2.1 A revenue grant of £2,856,916 provided from South Yorkshire Mayoral Combined Authority (SYMCA) to Sheffield City Council (SCC) to support the implementation of the City Region Sustainable Transport Settlement (CRSTS).

4.2.2 Up to £2.9m is being provided to the Council in the first instance to design and deliver the first gateway outputs of the transport schemes identified within the SYMCA CRSTS business case submission to the Department for Transport (DfT).

4.2.3 This revenue allocation supports the CRSTS capital allocation and third-party match funding. SCC is not required to provide a revenue contribution for CRSTS activities at this stage.

2022/23	2023/24	2024/25	Total
£435,547	£1,620,219	£801,149	£2,856,916

4.2.4 Commencement Date: 1st August 2022 - The date from which eligible costs and project outputs may be attributed to the project. Completion Date (of this grant, not of any schemes that may be constructed following the development by the grant): 31st March 2026.

4.2.5 As per the Financial Regulations, the grant offer will need s151 sign off and claims to be signed off by a Senior Finance Manager.

4.2.6 SYMCA shall pay the grant to SCC in accordance with Schedule 2 of the Grant Agreement during the Grant Period. The detail of the Claims periods set out in Schedule 3 still need to agreed with SYMCA.

4.2.7 Schedule3, Section 3.3 of the funding agreement states: *For the avoidance of doubt, SYMCA will only pay Grant to SCC against qualifying expenditure incurred within the financial years 2022/23 – 2024/25 up to the 31 March 2025.* This is different to the dates included in Schedule 2, section 2.1 so clarification has been sought from SYMCA.

4.2.8 Any qualifying expenditure defrayed by SCC after this/these date(s) will not be eligible to claim under the terms of the Grant Agreement.

4.2.9 Payment of the grant will only be made if SCC complies with the monitoring information requirements and can demonstrate the submission of complete and robust business cases by the submission date, as detailed in Schedule 2 of the Grant Agreement.

- 4.2.10 SCC shall provide SYMCA with the monitoring information set out in Schedule 4 of the Grant Agreement by the deadlines detailed in Schedule 2.
- 4.2.11 The Grant paid to SCC shall not include any element of Value Added Tax (VAT).
- 4.2.12 If SCC does not comply with the terms of the Grant Agreement, then SYMCA may terminate the Grant Agreement and cease to make payments or reduce, withdraw, suspend or recover part or all of the Grant. For the avoidance of doubt, this will include any failure to achieve the outputs and failure to provide any of the monitoring information.
- 4.2.13 The Grant must be spent in full by the end of the grant period and any unspent monies are immediately returned to SYMCA. If a capital scheme is successfully developed from this feasibility funding, it may be possible to capitalise some of the expenditure and recover it instead from any capital funding secured for that project. This would allow a portion of the CRSTS revenue grant to be recycled.
- 4.2.14 SYMCA may at its discretion withhold or suspend payment of the Grant, require repayment of all or part of the Grant and/or terminate this Agreement if clause 19 of the Grant Agreement is not complied with.

Grant Accounting Treatment - Conditional Grant.

- 4.2.15 SCC must ensure that it keeps full, complete and accurate books, annual accounts, records and documentation on the Project for a minimum of six years following completion of the Project and make such books, annual accounts, records and documentation available to SYMCA on request
- 4.2.16 Records are maintained, effective monitoring and financial management systems to control expenditure are operating to ensure that the costs of achieving the objectives, activities and milestones set out by the funder can be clearly identified.
- 4.2.17 The Project Manager will need to read, understand and comply with all of the grant terms and conditions and the Code of Conduct for Grant Recipients. and develop an exit strategy to ensure that there are no ongoing unfunded costs when the grant ends

4.3 Legal Implications

- 4.3.1 Local Transport Authorities are responsible for key aspects of public transport planning and delivery, the SYMCA being the LTA responsible for the operational public transport elements of the region's public transport strategy pursuant to its status as a combined authority so

designated under the Local Democracy, Economic Development and Construction Act 2009 and as amended by the Cities and Local Government Devolution Act 2016. It is through the SYMCA that the CRSTS funding is made available,

- 4.3.2 Section 111 of the Local Government Act 1972 provides local authorities with the power to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. This is the power under which the Council would accept the grant. If the grant is accepted, the Council will enter into an agreement to the terms and conditions with SYMCA in the form appended to this report. Failure to comply with the terms and conditions could enable SYMCA to withhold or suspend the grant at any time, and to require the repayment of all or part of the grant.
- 4.3.3 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.
- 4.3.4 More broadly, 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.
- 4.3.6 Key points to note from the Agreement (which have not already been covered in the ODR) are:
- There is a general data protection requirement within the Agreement. However please note if data is being collected as part of the project, SCC will need to put into place separate data protection/information sharing agreements to ensure compliance with data protection legislation.

- Under clause 7, SCC gives indemnities to SYMCA in relation to
 - Negligent acts or omissions or default on the part of SCC in delivery of the project causing death or personal injury and including losses decided by a court; and
 - SCC shall be liable for and indemnify SYMCA for losses arising from breach of the Agreement acts or omissions or default on the part of SCC.

Please read clause 7 and evaluate the risks and consider highlighting the indemnities in the report.

- There are publicity obligations under clause 8 requiring SCC to acknowledge the Grant in its annual report and accounts including acknowledging SCC as the source. Further any materials produced by SCC during the course of the project must state that the project is supported by SYMCA and include a logo along with the wording to the effect that the project has been financed by SYMCA.

4.4 Climate Implications

4.4.1 The projects within the CRSTS programme will have a beneficial impact on the environment as a driver of this investment is to create infrastructure to encourage sustainable forms of travel such as walking, cycling and public transport.

4.4.2 Individual Climate Impact Change Assessment will be undertaken as more detailed proposals are developed. These will show if there are any negative impacts and how they will be mitigated, where possible.

4.5 Other Implications

4.5.1 Staff resources to develop and deliver such a significant programme of works are limited, so we will look to work with strategic partners (such as Amey) to bring in additional resources within all project roles. These costs will be eligible to claim against the revenue grant.

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 Not accepting the revenue grant will significantly affect the viability of the projects within the CRSTS programme. They will either be delayed until an alternative funding source is found for their development or fail to come to fruition at all. Consequently, it will mean that the take-up of sustainable travel choices would be considerably slower than with the projects, it will also mean we are unable to provide safe and reliable sustainable routes for many residents travelling to employment and to local facilities.

5.2 This would result in a delay to the Transport Strategy outcomes, along with no contribution to the one-year plan.

- 5.3 The benefits that will result from the enhancement of sustainable travel provision, such as reduced car usage and increased economic activity, would not be felt under this alternative option, or would be felt some time in the future, and therefore their benefit would be significantly diminished. Similarly, not moving forward with the projects now would mean that the wider social and environmental benefits would not be realised.

6. REASONS FOR RECOMMENDATIONS

- 6.1 It is recommended that the Council agree to be accountable body for the revenue grant. This will enable the Council to benefit from £2.9m of revenue funding to undertake data collection, modelling, policy and strategic alignment, and development of optioneering recommendations to support the development of the projects within the CRSTS programme.
- 6.2 It will help protect the Council's finances in the coming years, by providing revenue for staff costs, third party consultant support, and early specialist public participation resources.
- 6.3 Accepting the revenue grant and developing the project within CRSTS programme will ultimately unlock £137m of capital investment to deliver them.