



Doncaster Council

Date: 15th October 2019

Report to Chair and Members of Cabinet

Transforming Cities Phase 2: Seeking approval to submit Sheffield City Region bid for transport interventions in Doncaster, to the Department for Transport. If successful, approval to enter into a funding agreement with Sheffield City Region and subsequently draw down funding

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Blackham	Mexborough, Conisbrough, Edenthorpe & Kirk Sandall, Stainforth & Barnby Dun, Hatfield, Thorne & Moorends, Bentley. Adwick le Street & Carcroft, Town, Edlington & Warmsworth, Balby South, Hexthorpe and Balby North, Rossington & Bawtry, Tickhill & Wadworth, Wheatley Hills & Intake, and Armthorpe.	Yes

EXECUTIVE SUMMARY

1. In September 2018 the Sheffield City Region (SCR) was confirmed as a shortlisted area for the next phase of the Transforming Cities Fund (TCF). The requirement was to submit a draft business case to the Department for Transport (DfT) in June 2019 before submission of the final business case in November 2019, for consideration as part of a nationwide £1.22bn funding pot available.
2. This report seeks approval to submit the SCR strategic outline business case to the DfT, for transport interventions in Doncaster. It seeks that if successful, approval be given to enter into a funding agreement with Sheffield City Region and subsequently draw down funding.

3. The bid will be submitted to the Department for Transport with three funding scenarios of low, medium and high. If the funding bid is successful, the total value over the three year programme within Doncaster is:
 - Low - £40.247m
 - Medium - £44.847m
 - High - £49.447m
4. There is an expectation that local contributions will also be required, with a minimum of 15% at a whole programme level being in line with other DfT funding competitions. In Doncaster, the proposed level of local contribution is between £6 million and £7.4 million depending on the low, medium or high funding scenario. The project team have identified eligible match funding from a number of sources, including the Integrated Transport Block, the Barnsley, Doncaster, Rotherham Local Transport Pot, Section 106 and the Local Growth Fund. The gap funding ask would therefore be between £2.5 million and £3.8 million and would be required from the Council's Corporate Capital Programme over the 3 year programme, which, if successful would commence in 2020.

EXEMPT REPORT

5. Not exempt

RECOMMENDATIONS

6.
 - Approve the Council submitting the funding bid for Transforming Cities Phase 2.
 - Note that further work will be undertaken on the match funding available and the remaining balance will be funded from the Council's Capital Programme due to be approved in March 2020
 - Delegation in respect of the final design of the specific schemes in the phase 2 programme to the Director of Economy and Environment, in consultation with the Mayor and the Portfolio holder; and
 - If the bid is successful, delegate negotiating and agreeing the terms and conditions, and the decision to enter into a funding agreement with Sheffield City Region and subsequently drawing down the funding to the Director of Economy and Environment and Section 151 Officer, in consultation with the Mayor.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

7. If successful the Transforming Cities Phase 2 Programme has the potential to improve connectivity for Doncaster residents to key urban centres and employment hubs. It will improve public transport on key commuter corridors and provide an improved active travel network.

The potential improvements in public transport and our active travel network could lead to a significant modal shift, leading to air quality and congestion benefits.

The TCF Phase 2 programme contains active travel schemes, the delivery of which is linked to the success of 'Get Doncaster Moving'. Physical activity and sport is one of nine transformational programmes within Doncaster Growing Together and will accelerate the progress of Doncaster's 10yr Physical Activity and Sport

strategy.

This is reflected within the Get Doncaster Moving programme with Cycling and Walking being 2 of the 5 themes and sharing a project board that will ensure that transformational change is achieved and the potential benefits realised.

Potential interventions funded by Transforming Cities are integral to the walking and cycling themes, providing the platform to achieving the outcome of increased numbers of residents making journeys by active travel means.

BACKGROUND

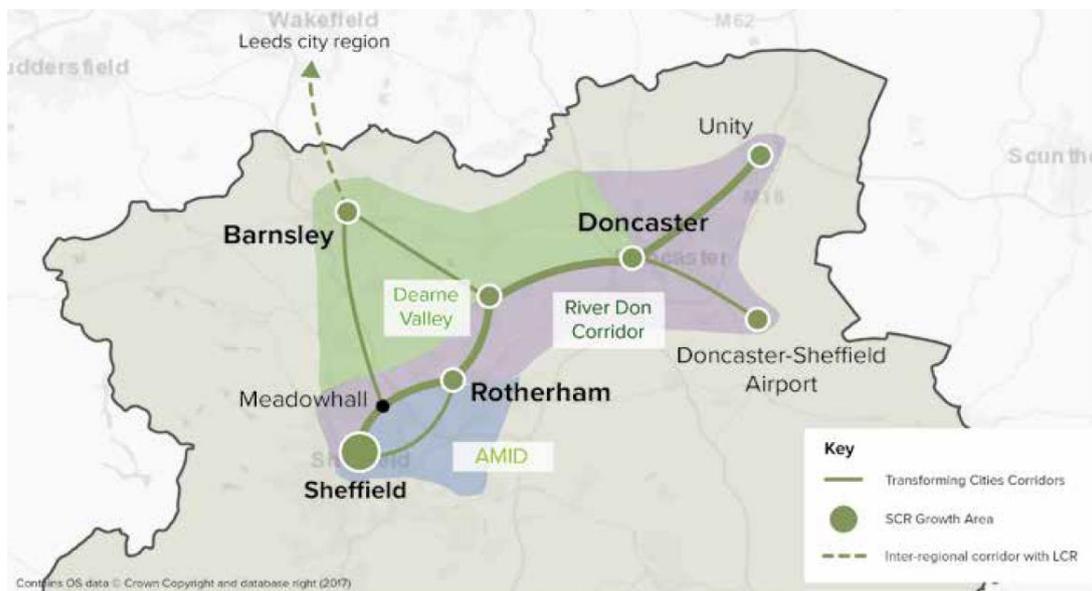
8. The TCF aims to drive up productivity through improved connections between urban centres and suburbs. To do this, the DfT will aim to:

- Invest in new local transport infrastructure to boost productivity
- Improve public transport and sustainable transport connectivity
- Improve access to employment sites, Enterprise Zones, development sites, or an urban centre that offers particular growth/employment opportunities.

A significant TCF allocation will strengthen the SCR's position as a globally significant advanced manufacturing and engineering centre by beginning to reverse the decades of underinvestment in the transport system and wider infrastructure, which has limited the flow of ideas, people and business between the urban areas and major employment sites.

The overall aim of the SCR's TCF bid is to promote a series of interventions that contribute towards the SCR's objective to improve intra-city region connections that either:

- Connect areas of deprivation/transport poverty to areas of economic opportunity by public and sustainable transport modes; or
- Seek to achieve significant mode shift away from the private car on key corridors that could stifle future growth ambitions, across three 'macro' corridors – River Don, Dearne Valley and AMID, as illustrated below.



The draft Strategic Outline Business Case (SOBC) submitted by the SCR in June 2019 included three funding scenarios as requested by DfT – these are labelled ‘Low’, ‘Medium’ and ‘High’. The bid was for the following values of DfT funding across the SCR over the four-year programme:

- Low - £183m
- Medium - £204m
- High - £227m.

All of the values include 5% for inflation across the funding period and 10% for risk.

The bid itself was endorsed by the SCR Mayoral Combined Authority at its meeting on 3 June 2019, with the Mayor commenting as follows:

"It is critical that we improve the transport system in our region, to create better access to major employment sites, reduce congestion, better integrate different modes of transport and make our transport network fit for the 21st Century. That's why it's so important that we get this Transforming Cities Fund bid right, and why we've been working closely with partners across South Yorkshire to ensure that our bid has real potential to drive transformational change for our communities."

Council Officers have been working with SCR Officers and the DfT to refine the draft SOBC with a view to submitting a final SOBC by 28 November 2019.

The SCR's TCF package comprises three main elements:

- **Public Transport** – infrastructure improvements aimed at improving the performance of the public transport network, principally journey time, punctuality and reliability, within and between the main urban centres and the identified growth locations.
- **Active Travel** – drawing on the draft Local Cycling and Walking Infrastructure Plan (LCWIP) and the recent appointment of an Active Travel Commissioner to develop further the network of active travel routes identified in the draft LCWIP, between the areas of transport poverty and the areas of opportunity, the main urban centres and those corridors with the greatest opportunity for mode shift, taking advantage of the relatively low commuting distances across the SCR at present.
- **Rail** – enhancing accessibility to/from and at rail stations within the SCR and interventions that support connectivity to HS2/Northern Powerhouse Rail touchpoints so that the rail network can become a viable alternative to the private car for those taking advantage of the significant economic growth opportunities.

In order to develop the business case, a pan-authority Project Board was established which was led by the SCR Executive Team and South Yorkshire Passenger Transport Executive (SYPTTE). Whilst the aim has been to collate a package of schemes which meet both DfT's criteria and the SCR's own local objectives, the Project Board has sought to ensure an appropriate allocation for each of the three corridors commensurate with the scale of challenges and opportunity identified.

Following further development work on the proposed schemes included in the Draft SOBC and an initial appraisal of value for money, the programme of interventions in Doncaster has been refined. The current TCF programme includes the following:

- Schemes that improve accessibility to our local train stations
- Improvements to connectivity to key employment sites, including iPort
- Enhancements to our urban centre transport network
- Interventions to improve bus journey time on key corridors

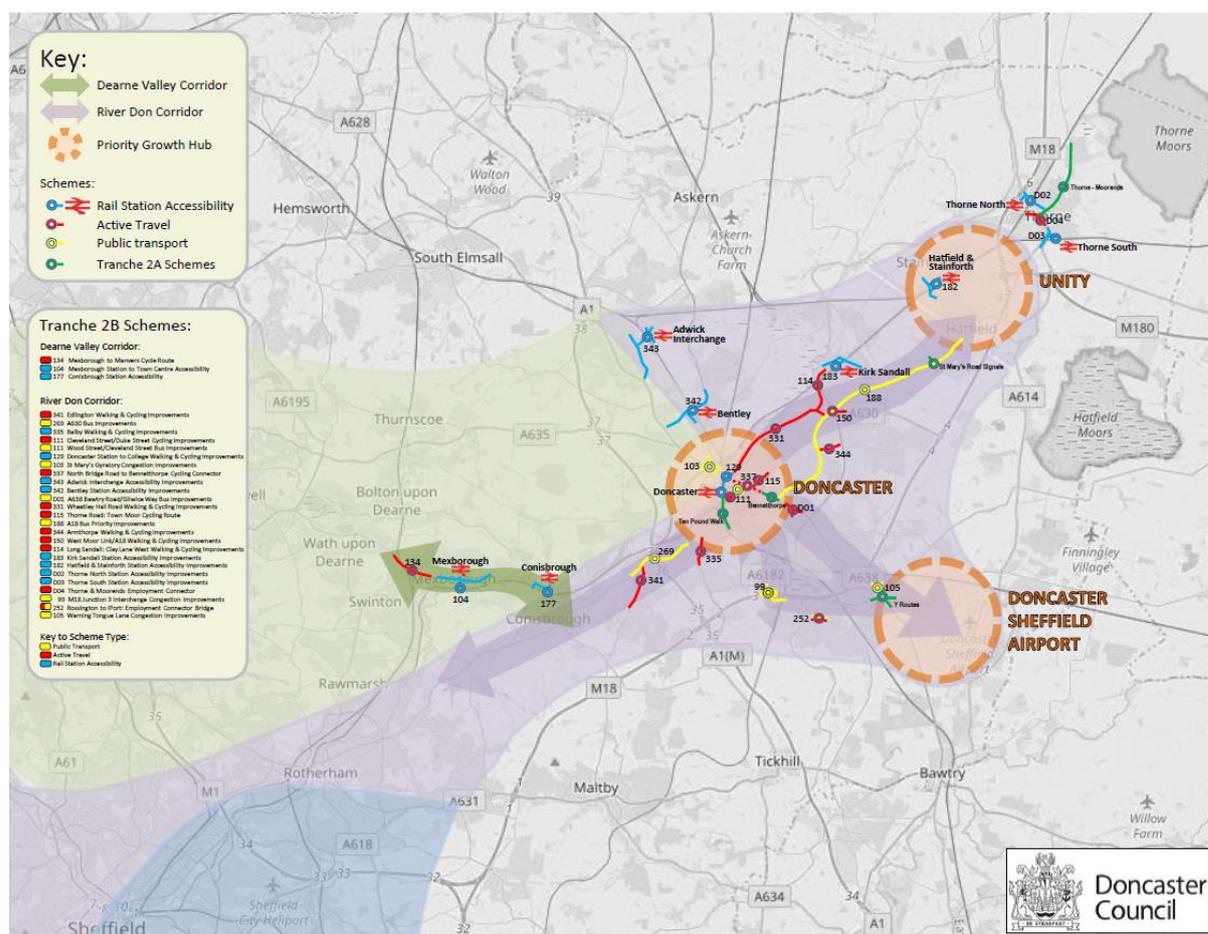
Scheme	Funding Scenario		
	(Low)	(Medium)	(High)
	Scheme Value	Scheme Value	Scheme Value
Doncaster West Employment Cycling Connector	£2.3m	£0	£0
A630 Bus Improvements	£4m	£0	£0
St Mary's Gyratory Congestion Improvements	£0	£1.2m	£0
Conisbrough Station Accessibility	£1.2m	£0	£0
Cleveland Street/Duke Street Cycling Improvements	£3m	£0	£0
Wood Street/Cleveland Street Bus Improvements	£1.5m	£0	£0
Edlington Walking & Cycling Improvements	£0.35m	£0	£0
Balby Walking & Cycling Improvements	£2.126m	£0	£0
Rossington to iPort: Employment Connector Bridge	£2.8m	£0	£0
Rossington to iPort: Employment Connector Bridge	£2.8m	£0	£0
M18 Junction 3 Interchange Congestion Improvements	£5.5m	£0	£0
Warning Tongue Lane Congestion Improvements	£0.288m	£0	£0
A18 Bus Priority Improvements	£1.8m	£0	£0
Kirk Sandall Station Accessibility Improvements	£1.693m	£0	£0
Hatfield & Stainforth Station Accessibility Improvements	£1m	£0	£0
Thorne North Station Accessibility Improvements	£0	£0.5m	£0
Thorne South Station Accessibility Improvements	£0	£0.5m	£0
Thorne Road: Town Moor Cycling Route	£1.7m	£0	£0
Armthorpe Walking & Cycling Improvements	£0.24m	£0	£0
Wheatley Hall Road Walking & Cycling Improvements	£0	£2.2m	£1.4m
West Moor Link/A18 Walking & Cycling Improvements	£2.6m	£0	£0
Doncaster Station to College Walking & Cycling Improvements	£0.5m	£0	£0
Bentley Station Accessibility Improvements	£0.8m	£0	£0
Adwick Interchange Accessibility Improvements	£1.3m	£0	£0
Long Sandall: Clay Lane West Walking & Cycling Improvements	£0	£0	£0.9m
Thorne & Moorends Employment Connector	£0.65m	£0	£0
A638 Bawtry Rd/Gliwice Way Bus Improvements	£0.2m	£0.2m	£2.3m
North Bridge Road to South Parade Cycling Connector	£1.9m	£0	£0

The table above shows the list of Doncaster schemes to be submitted to the DfT as part of a Combined Authority bid. The programme has been through the SCR assurance framework incorporating eligibility appraisal process to best align schemes that will meet strict funding parameters set by DfT.

An outline implementation plan has been developed, but more detailed delivery plans for each of the schemes are yet to be developed beyond a small number of schemes that have been earmarked for implementation within the first year of the programme. The TCF programme envisages work starting in March 2020 and being complete by the end of March 2023.

The total value of the funding bid over the four year programme within Doncaster is:

- Low - £40.247m
- Medium - £44.847m
- High - £49.447m



There is an expectation that local contributions will also be required, with a minimum of 15% at a whole programme level being in line with other DfT funding competitions. In Doncaster, the proposed level of local contribution is between £6 million and £7.4 million depending on the low, medium or high funding scenario. The project team have identified eligible match funding from a number of sources, including the Integrated Transport Block, the Barnsley, Doncaster, Rotherham Local Transport Pot, Section 106 and the Local Growth Fund. Doncaster will continue to seek opportunities around any funding sources to minimise the match funding corporate capital ask. The gap funding ask is currently estimated to be between £2.5 million and £3.8 million and would be required from the Council's Corporate Capital Programme over the 3-year programme, which, if successful would commence in 2020.

It is intended to retain the essence of the Project Board structure for the implementation of the works, supported by individual project teams/work packages that will be led by Officers within the South Yorkshire Local Authorities and/or SYLTE as appropriate.

Beyond the submission of the final SOBC, approval of individual schemes or smaller package of interventions will be undertaken using the SCR's agreed Assurance Framework. Funding for the TCF programme will come via the SCR Mayoral Combined Authority (MCA).

The majority of the individual schemes within the agreed package will be delivered by the South Yorkshire Local Authorities and SYPTE, using established procurement procedures. This mirrors the approach taken on other funding bids with the DfT and other Government departments and will be underpinned by back-to-back agreements between the MCA and the South Yorkshire Local Authorities.

The TCF programme will be subject to a programme of before and after monitoring and evaluation, in line with the Assurance Framework. This will demonstrate the extent to which TCF objectives were met, monitor performance of the individual elements of the programme and ensure that any potential issues post implementation are identified and addressed.

Once the programmed has been fully defined by DfT, local stakeholder consultation will be undertaken.

OPTIONS CONSIDERED

9. Two options have been considered:

Do something- Submit the funding bid with SCR to DfT and potentially benefit from substantial investment Doncaster's transport network

Do nothing- Failure to submit the funding bid will result in Doncaster not benefiting from potential investment.

REASONS FOR RECOMMENDED OPTION

10. Submission of the funding bid provides an opportunity for transformational investment in Doncaster transport network. If successful, it will allow Doncaster to improve its network of sustainable travel infrastructure, enabling communities and residents to consider other options for travel, potentially improving their health and wellbeing.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

11.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<p>The Transforming Cities programme has the potential to provide improved sustainable transport access to employment for Doncaster residents.</p> <p>The health benefits to businesses of employees travelling actively to work includes reduced absenteeism and improved productivity.</p>
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p>	<p>Increasing and enhancing our transport network could lead to an increase in residents being active, which contributes to a healthy and vibrant Doncaster.</p>

	<ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	<p>Active travel provides opportunities for residents to explore their local area, be active in the outdoors and stay healthy in mind as well as body, helping to boost mood and self-esteem.</p> <p>It helps maintain social interaction and improve community cohesion.</p>
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	<p>Physical activity including active travel maintains and improves muscle strength and the ability to balance is crucial in reducing the risk of falling.</p>
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>We will work together to promote the assets that Doncaster has not only to residents but visitors too.</p>

RISKS AND ASSUMPTIONS

12. The main risk is the Transforming Cities Phase 2 funding bid is not supported/ only partially supported by the Department for Transport; this could potentially lead to a reduced allocation for Doncaster.

If the funding bid is successful, there will be a significant increase in delivery and implications for staff resource. Once we have a secured programme with a quantified value, recruitment will need to be undertaken. However, the challenging delivery milestones requires the scheme implementation to start immediately, in advance of funding being secured. It will therefore require schemes to be developed in advance to enable the required level of information to be provided in support of the Full Business Case. The minimum level of advanced scheme development would be the year 1 schemes. Development of these projects will be undertaken at risk, until schemes are in a position to enter into a funding agreement. This is in line with the process for the delivery of the major projects through the LGF SCRIF programme.

As with all new infrastructure it will increase the call on the routine maintenance budgets and therefore the Council will need to ensure the sufficient revenue resources are in the place to maintain the asset for its lifetime.

LEGAL IMPLICATIONS [Officer Initials NJV Date 5th September 2019]

13. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything that individuals may generally do.

Doncaster Borough Council is a constituent council of the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority. That Authority is committed to the bid to the DfT for the transport interventions described in this report and has statutory powers over transport funding because it is responsible (in accordance with its own constitution) for transport decisions made in the Sheffield City Region.

If the bid is successful the Council will be required to enter into legally binding agreements in its role as member of the Combined Authority with the DfT and also following agreement reached to enter into contractual arrangements with Sheffield City Region.

Although the terms of these agreements have not yet been received, it is likely that they will include certain provisions and detail to deal with match funding, public procurement, deadlines for delivery and State Aid. Failure to comply with such terms will lead to claw back of funding. Further specific and bespoke legal advice on these agreements will be required if the bid is successful & the project progresses.

FINANCIAL IMPLICATIONS [Officer Initials DR Date 25/09/19]

14. The report outlines a TCF programme of between £40.3m and £49.5m of investment in Doncaster. This is intended to be financed from between £34.3m and £42.1m of TCF grant, plus match funding contributions of between £6.0m and £7.4m from the Council. The programme is at a formative stage and these values will be confirmed depending on how the business case is received and the programme develops.

The TCF grant originates from the DfT but with the SCR acting as accountable body and is still subject to submission of the SCR business case. This report is seeking approval to enter into a funding agreement with the SCR for the Doncaster elements should the grant be awarded. Financial Procedure Rules require acceptance of a grant of this value to be taken by key decision, which would be

required once the grant award has been confirmed and the terms and conditions have been found acceptable to the Council. Similar funding agreements from the SCR suggest that the main risks for the Council will be in relation to claw back for failure to deliver the works, agreed outcomes and incurring spend in line with how SCR profile the grant. Administration and reporting requirements of SCR funding agreements have also proved to be time consuming, the cost of which cannot normally be recovered from the grant. The Council will need to ensure that sufficient resources are in place to administer the grant for its lifetime.

The report identifies a number of potential external sources of Match funding that could contribute up to c. £3.5m: -

- LTP Integrated Transport Block (LTP ITB)

Based on 2019/20 values the Council receives c. £1.8m of LTP ITB per year via the SCR. For indicative purposes, the Council usually invests c. £1.1m in a programme of small schemes for Safer Roads, Network Management, Cycling and Sustainable Choices. There will be scope to align some of this programme with TCF Phase 2. The Council usually reserves the remaining balance, c. £0.7m for use on major transport projects, such as West Moor Link. The overall value of money available for this programme is likely to be dependent on the demands of other major projects requiring resources.

- Barnsley, Doncaster, Rotherham Local Transport Capital Pot (LTCP).

The Council has £1.1m of the current allocation remaining with all of it committed to Quality Streets £0.4m and Urban Centre Masterplan Highway Improvements £0.7m. Use on these projects has been formally agreed with the SCR with completion by close of 2020/21. There may be some scope to align some of the latter with TCF Phase 2 projects if the outcomes fit but £0.3m is already being used as match for TCF Phase 1 projects. To date there is no indication that there will be any announcement of new LTCP.

- Section 106 (S106)

There is little or no eligible S106 money currently held that could be used for this purpose, so it is assumed that the majority of this is expected to come from contributions that have not yet been received or are intended to be built into future agreements. No indication has been given as to how much this might be. S106 contributions are dependent on trigger points for payment that depend on the speed at which the developments are built out. There is a risk that these trigger points will not have been hit by the time the money is required and a further risk that the trigger points may not be hit at all if the developers have difficulty progressing their developments (e.g. economic downturn, remaining in business, lack of sales, etc.). The Council may have to find other resources, such as borrowing, to cover the period between when the money is needed and actually received.

- Local Growth Fund (LGF).

The current round of LGF funding to 2020/21 is currently over-programmed so any match funding from this source is likely to be dependent on further announcements of new funding and a successful bid.

The Council will continue to explore additional sources of external match funding but is currently forecast to require between £2.5m and £3.8m from its own resources, depending on the overall value of the programme being confirmed. The availability of these resources is reliant on the disposal of assets but, if these are achieved at the expected value and time, then there will be a surplus of between

£0.1m to £3.4m in 2020/21 and c. £8.0m in 2021/22. The budget review of the capital programme for 2020/21 onwards is imminent and any commitment of resources to this programme will need to be considered as part of that process; i.e. in the context of any other new bids Council wide and the option to defer or remove existing schemes as new priorities dictate.

If there is a shortfall in match funding from these sources the Council could decide to borrow money. If this is the case the cost of repayment will need to be built into the revenue budget, e.g. at £3.8m this would be £0.14m per annum. The decision to borrow would need to be taken by Full Council but this could be achieved through the budget setting process.

The report identifies the need to commence development work in advance of securing the grant. The service needs to provide a more detailed breakdown of this work, along with the estimated cost and proposed funding strategy. It is assumed that some elements of this will be revenue in nature and could be met from existing budgets within Economy & Environment. It is also assumed that some elements will be capital in nature and can ultimately be recovered from the grant. Given the terms and conditions of the grant are not yet known, the Council may be required to provide contingent capital resources should any of these costs prove to be ineligible.

Furthermore, if the grant is not secured then there is a risk that this work would become abortive if the projects cannot proceed with other funding. Any abortive costs arising would need to be written out to revenue. They would not be eligible to be funded from the above capital resources and would become a pressure on the Council's revenue budget for which alternative resources would need to be identified.

The report also identifies the potential for increased call on revenue budgets for on-going maintenance costs of new assets. The service needs to provide a more detailed breakdown when costs are known and will need to establish the sufficiency of existing resources.

In all the above cases, any additional revenue or capital resources required must be agreed with the Section 151 Officer prior to committing expenditure.

HUMAN RESOURCES IMPLICATIONS [Officer Initials CR Date 05/09/2019]

15. There are no HR implications specific to the recommendations in the report, however, any emerging matters that impact on the workforce will require HR engagement at the appropriate time.

TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 06/09/19]

16. There are no anticipated technology implications in relation to this report.

HEALTH IMPLICATIONS [Officer Initials CT Date 05/09/19]

17. Public Health supports the recommendation to submit the funding bid with SCR to DfT and benefit from substantial investment in Doncaster's transport network. Walking and cycling are good for our physical and mental health and the investment will enable Doncaster Council to make improvements to the active travel network as well as ensuring that bus and rail networks are fit for purpose, encouraging people to rely less on cars. This will then have a positive effect on air quality and congestion.

Switching more journeys to active travel will improve health, quality of life and the environment, and local productivity, while at the same time reducing costs to the public purse. We need to create environments that incorporate physical activity as a normal part of everyday life and the Transforming Cities Fund enables Doncaster Council to put in the place the necessary infrastructure to support this

EQUALITY IMPLICATIONS [Officer Initials KP Date 04/092019]

18. Decision makers must consider the Council's duties under the Public Sector Equality Duty at s149 of the Equality Act 2010. The duty requires the Council, when exercising its functions, to have "due regard" to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the act, and to advance equality of opportunity and foster good relations between those who share a "protected characteristic" and those who do not share that protected characteristic

An Equality, Diversity and Inclusion Due Regard Statement has been prepared and appended to support this report.

CONSULTATION

19. The Transforming Cities Phase 2 programme has been developed with approval from Cabinet members.

Once the programme has been fully defined by the DfT, local stakeholder consultation will be undertaken.

BACKGROUND PAPERS

20. N/A

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