

North Yorkshire County Council
Business and Environmental Services

Executive Members

25 October 2019

Transforming Cities Fund – Submission of Strategic Outline Business Case

Report of the Assistant Director – Highways and Transportation

1.0 Purpose of Report

- 1.1 To update Members on the progress of the development of the Transforming Cities Fund bid
- 1.2 And to seek approval to participate in the submission of the Strategic Outline Business Case (SOBC).

2.0 Background

- 2.1 £1.28bn (capital funding) is available to city regions for schemes to be delivered by March 2023 through the Department for Transport's (DfT) Transforming Cities Fund (TCF). Further to the expressions of interest process in 2018, DfT has asked the 12 shortlisted city regions, of which Leeds City Region (LCR) is one, to develop packages of proposals, supporting longer term programmes to be agreed in 2019/20. In addition to this, a further £90m (£20m of which has already been allocated to the West Midlands) has been made available to create up to three Future Mobility Zones – guidance on this third tranche of funding is expected imminently. The aim of TCF is to *'drive up productivity through improved connections between urban centres and suburbs'* with a focus on investment *'in infrastructure to improve public and sustainable transport connectivity'*.
- 2.2 The guidance for the initial TCF expressions of interest submissions required bidding authorities to have a high workday population, (200,000 plus) and stated that proposals from areas 'largely rural in character' would not be accepted. On that basis, and in view of the existing membership of three of the North Yorkshire districts in the Leeds City Region, we were invited to participate in the Leeds City Region bid.
- 2.3 NYCC, and the three district councils (DCs) in the county that form part of the LCR (Craven, Harrogate and Selby) are bidding as part of the LCR for a portion of the TCF funding, to deliver transformational schemes improving access to and from stations.
- 2.4 A draft submission of a strategic outline business case (SOBC) was made to DfT in June, by West Yorkshire Combined Authority (WYCA) on behalf of the Leeds City Region authorities. This submission was made 'in private' (essentially meaning it was not published) and since then, WYCA have been engaged in a period of co-development with the Department for Transport.
- 2.5 A final submission will be made to DfT on 28 November 2019, and following this, the DfT will determine what, if any, funding they intend to award to bidding authorities.

- 2.6 As the TCF is a competitive process, there is no guarantee of any funding. However, having been successful at the expression of interest stage, the bidding team, on behalf of the LCR authorities, are hopeful that funding of some level will be forthcoming.
- 2.7 Should funding for the LCR bid be announced, a report will be brought to the Executive, setting out the details of the award, and requesting permission to accept the funding.
- 2.8 In view of the lack of clarity on the extent of funding available, WYCA have calculated a variety of possible funding award scenarios, based on figures per head of population, as a portion of the overall TCF fund. Whilst none of these are confirmed, they have provided focus for scheme prioritisation based on three scenarios which could occur. These include core, low and high funding scenarios.
- 2.9 Initially, the 'ask' from the LCR constituent authorities exceeded the estimated funding awards in all scenarios (core, low and high) and as a consequence, WYCA undertook a prioritisation of projects, based on a multi criteria analysis against the objectives of the TCF. Through this process, several of the less-well performing schemes 'dropped out' and in some cases, packages of schemes were only partially funded under the low and core scenarios, but would be fully funded should a 'high' funding award be made.
- 2.10 The content of the bid is not as yet finalised. However, as they currently stand the North Yorkshire elements of the bid are as follows;

District	Scheme elements
Craven	Improved active mode access from station to bus station. Improved access to education and employment sites Improved station frontage and enhanced bus access within the station frontage.
Harrogate	Improved station frontage with enhanced access for active modes. Improved facilities for walking and cycling in the town centre. Improved public realm. (In the high funding scenario, this scheme would deliver additional active travel corridors.)
Selby	Improved station frontage with improved links and access to the nearby bus station. Improved walking and cycling links to two major redevelopment sites, including a new cycle and footbridge over the river Ouse, to the Olympia Park site.

- 2.11 In the main, the schemes that are to be delivered are on highway, and will therefore predominantly be delivered and project managed by the County Council, in the event that the bid for funding is successful.
- 2.12 A series of workshops has already been held with area based staff, with input from specialist team leaders (i.e., Bridges and Structures), alongside the relevant district council leads, to discuss the approach to delivery and mobilisation of the projects, should we be successful in securing the funding.
- 2.13 All have been clear that they will be able to mobilise and spend the funding within the timescales (by March 2023). Delivery is one of the key issues in scheme selection, and WYCA considered ability to deliver within the funding window, as part of their scheme prioritisation process (see section 2.9, above).

- 2.14 In common with other DfT funding streams, it is anticipated that there will be a requirement for delivery teams to provide details of output milestones and provide details of progress against delivery.
- 2.15 The guidance from TCF also states that all funded city regions will be required to monitor and evaluate their interventions and report on this appropriately. This is in common with DfT funding streams.
- 2.16 Any approach to monitoring and evaluation will be developed in partnership with WYCA and the relevant district councils. In so doing, it will be necessary to ensure that targets are challenging, yet proportionate and not unduly onerous.

3.0 Governance

- 3.1 The DfT have been clear in their guidance that any funding awarded through the TCF must be spent by March 2023.
- 3.2 In addition to this, it is generally accepted that funds awarded by DfT are finite, and that no additional funding will be awarded in event that a project overspends, or slips.
- 3.3 Should schemes overspend, or slip, resulting in overspend, it will therefore be incumbent on the delivering authority, to manage this appropriately.
- 3.4 As a consequence of this, it should be recognised that any risk in overspend will be borne by either the county council, or the district council, dependant on who is the lead authority for the scheme. Therefore, this responsibility and risk burden will be set out in the relevant finance and legal agreements.
- 3.5 Cost estimates have a robust contingency included but should there be any overspend this would need to be shared between the DC's and NYCC. The apportionment of overspend with the DC's will form part of the final legal agreement with them which will be finalised before any acceptance of the funding should the bid be successful. The NYCC element is likely to be sourced from LTP Integrated Block Allocation and / or CPE surplus. The potential source of this funding contingency will be finalised prior to acceptance of the funding should the bid be successful.
- 3.6 Legal services have been engaged in providing advice since the draft business case submission was made in June 2019, and will continue to be engaged in working with legal teams in both WYCA, and the district councils should funding be awarded. Initial discussions with Legal Services have suggested a 'flow down' form of agreement, whereby the finances and the risk flows down to the body delivering the scheme elements. This will be further explored once funding announcements are made.
- 3.7 A proposed governance structure is attached at appendix 1 - this would allow reporting by exception on the programme overall, to the Business and Environmental Services Capital Projects Board which is chaired by the Corporate Director. However, it would also require the establishment of three district level project working groups – these would comprise officers from NYCC highways, the district councils, and potentially from stakeholders (i.e., Network Rail) as and where appropriate.

Risk management

- 3.8 As with all projects, there are risks to be managed, or mitigated. These will be considered, both at a project level and a programme level, by way of the governance structure set out in appendix 1.

- 3.9 In the project development stage, a risk register for all of the design elements of the TCF projects has been developed, and is available on request.
- 3.10 WYCA have generated a risk log for the programme overall. In addition to that, a project level risk log will be developed for the NY area projects, and will form part of the ongoing project management should the funding award be made.
- 3.11 However, key potential risks for the projects are set out below:

Potential risk	Possible mitigation
Final bid does not include North Yorkshire projects	Work with WYCA to ensure quality of bid elements put forward is high.
Staff resources lead to inability to deliver within timescales	Ensure that an appropriate spend profile is determined to ensure resources requirements are understood.
Inability to complete works due to land or legal barriers	Ensure sufficient preparation is undertaken to ensure the relevant implications, and where necessary to start early discussions with partners.
Key stakeholders are not supportive of the proposals.	Engage stakeholders early in process and ensure close working.
The public do not support the proposals	Ensure public engagement is undertaken sufficiently early, where appropriate, to influence scheme design.
DfT award less funding than expected, reducing scheme extents, thereby eroding the benefits of the scheme.	Scheme components and their BCRs are well understood, to allow for the optimum packages to be delivered.
Ground and land issues may delay or constrain scheme delivery	Ensure surveys are undertaken at the appropriate time to ensure any issues are identified as soon as possible.
Liaison with Network Rail on adjacent working, may be protracted and cause delays	Continue engagement with Network Rail and other key stakeholders.
Wider regeneration initiatives or competing projects impact on the ability of the scheme to be delivered in full.	Ensure project working teams have representation from relevant officers to ensure cross project working.
Possible impact on Stray Land (Harrogate only) leads to delay in delivery or non-delivery.	Work closely with relevant partners to ensure impacts are minimised and avoided wherever possible.

4.0 Finance

- 4.1 It is proposed that NYCC will make a contribution of £100,000 to each of the packages. This would be funded from the Sustainable Transport and Air Quality budgets.
- 4.2 As noted in section 2.7 above, in the event of the bid being successful and DfT announcing a funding award, a report will be brought to the Executive, requesting permission to accept the funding.

5.0 Legal

- 5.1 Whilst detailed discussions on legal agreements have yet to take place, it is anticipated that WYCA will seek to incorporate a 'flow down' approach to the grant terms. This will attempt to ensure the risk and responsibility for schemes flows with the finance down to the lead organisation for delivery (either NYCC or the relevant district council). It is intended that NYCC will ensure that in circumstances in which delivery is the duty of a district council that such risks and responsibilities are flowed down appropriately. Further details on this will be provided in a report to the Executive, should funding be confirmed.

6.0 Equalities

- 6.1 Consideration has been given to the potential for any equality impacts arising from the recommendations. It is the view of officers that at this stage the recommendations do not have an adverse impact on any of the protected characteristics identified in the Equalities Act 2010. A copy of the Equality Impact Assessment screening form is attached as Appendix 2.

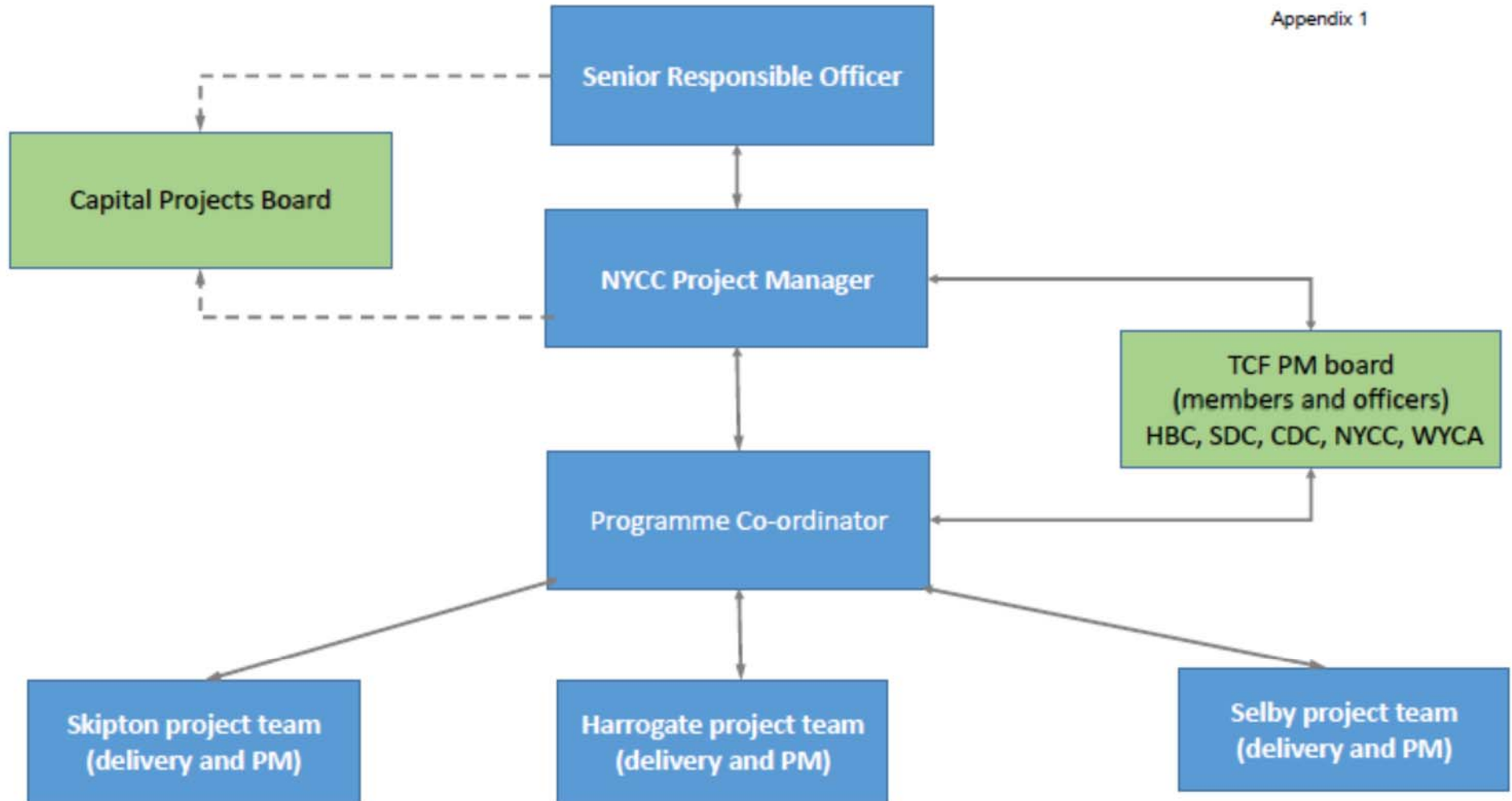
7.0 Recommendations

- 7.1 That the Executive Member for Access, in consultation with the Executive Member for Open for Business and the Corporate Director, Business and Environmental Services agree to the County Council participating in the Leeds City Region submission of the Strategic Outline Business Case (SOBC) to the Transforming Cities Fund.
- 7.2 That BES Executive Members note the intention to submit the SOBC and receive a further report in 2020 on the outcome of the bid, following any DfT announcement.
- 7.3 That BES Executive Members note that in the event of the bid being successful and DfT announcing a funding award, a report will be brought to the Executive, requesting permission to accept the funding.

BARRIE MASON
Assistant Director Highways and Transportation

Author of Report: Rebecca Gibson

Background Documents: None



Initial equality impact assessment screening form (As of October 2015 this form replaces 'Record of decision not to carry out an EIA')			
This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.			
Directorate	Business and Environmental Services		
Service area	Highways and Transportation		
Proposal being screened	Transforming Cities Fund bid submission		
Officer(s) carrying out screening	Rebecca Gibson		
What are you proposing to do?	Update members on the LCR bid to the TCF.		
Why are you proposing this? What are the desired outcomes?	To set out details of the potential bid to government.		
Does the proposal involve a significant commitment or removal of resources? Please give details.	No.		
Is there likely to be an adverse impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristics?			
As part of this assessment, please consider the following questions:			
<ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? 			
If for any characteristic it is considered that there is likely to be a significant adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your Equality rep for advice if you are in any doubt.			
Protected characteristic	Yes	No	Don't know/No info available
Age		✓	
Disability		✓	
Sex (Gender)		✓	
Race		✓	
Sexual orientation		✓	
Gender reassignment		✓	
Religion or belief		✓	
Pregnancy or maternity		✓	
Marriage or civil partnership		✓	
NYCC additional characteristic			
People in rural areas		✓	
People on a low income		✓	
Carer (unpaid family or friend)		✓	
Does the proposal relate to an area where there are known inequalities/probable impacts (e.g.	No		

disabled people's access to public transport)? Please give details.					
Will the proposal have a significant effect on how other organisations operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	None				
Decision (Please tick one option)	<table border="1"> <tr> <td>EIA not relevant or proportionate:</td> <td style="text-align: center;">✓</td> <td>Continue to full EIA:</td> <td></td> </tr> </table>	EIA not relevant or proportionate:	✓	Continue to full EIA:	
EIA not relevant or proportionate:	✓	Continue to full EIA:			
Reason for decision	The work being proposed will have wide benefits for residents and visitors and there is no reason for the work programme to cause any negative impact on anybody from within the protected characteristic groups.				
Signed (Assistant Director or equivalent)	<i>David Bowe</i>				
Date	<i>17 10 2019</i>				