

North Yorkshire County Council

Executive

19 May 2020

Authorisation to accept Transforming Cities Fund (TCF) award funding from WYCA/DfT

Report of the Corporate Director – Business and Environmental Services

1.0 Purpose of Report

- 1.1 To set out the details of the TCF funding award and the governance and risk attached to that programme.
- 1.2 To request approval to accept the funding award.

2.0 Background

- 2.1 £1.28bn (capital funding) was made available to city regions to bid for schemes to be delivered by 31 March 2023 through the Department for Transport's (DfT) Transforming Cities Fund (TCF). Further to the expressions of interest process in 2018, DfT asked 12 shortlisted city regions, of which Leeds City Region (LCR) was one, to develop packages of proposals, supporting longer term programmes to be agreed in 2019/20.
- 2.2 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'.
- 2.3 The guidance for the initial TCF expressions of interest submissions required bidding authorities to have a town / city with a high workday population, (200,000 plus) and stated that proposals from areas 'largely rural in character' would not be accepted. On that basis NYCC were unable to submit a standalone bid, and in view of the existing membership of three of the North Yorkshire districts/ boroughs in the Leeds City Region, we were invited to participate in the Leeds City Region bid.
- 2.4 NYCC, and the three councils in North Yorkshire that form part of the LCR (Craven, Harrogate and Selby) bid for TCF funding, to deliver transformational schemes to improve access to and from rail and bus stations.
- 2.5 A draft submission of a strategic outline business case (SOBC) was made to DfT in June 2019, 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). Following that WYCA engaged in a period of business case co-development with the Department for Transport.
- 2.6 A final strategic outline business case was submitted to the DfT on 28 November 2019. This set out, on the advice of the DfT, three funding scenarios, of low, core and high funding, and the potential schemes and outcomes that could be delivered under each option.

3.0 Funding Award

- 3.1 Funding for the TCF projects was announced in the March 2020 budget. Overall, the Leeds City Region was awarded £317m, with the DfT setting out that the funding should be used

as follows; “We expect delivery plans to cover the whole TCF allocation until 2022/23. While your city region has been awarded funding that falls between the low and medium scenarios submitted, as part of the flexibilities within the Devolution Deal, it is expected that all schemes within the low scenario will be funded, with flexibility to use the remainder to fund schemes from the medium or high scenarios.”

3.2 The DfT Grant Award letter detailed a number of expectations on the Combined Authority and its partners throughout the lifetime of the programme. These included:

- YCA given the ability to assure all Transforming Cities schemes locally irrespective of cost with requirement to provide a revised framework in April
- Annual reporting on delivery with an indicative list of WYCA’s prioritised schemes by 20 April
- A requirement to commit to revised design and delivery standards for cycling and walking infrastructure
- Adherence to branding guidelines
- Commitment to engage with the DfT’s national monitoring and evaluation framework for the fund.

3.3 Under the low funding scenario, the schemes to be delivered within the NY area of the Leeds City Region are as follows:

District	Scheme elements	TCF funding £ millions
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.	£5.8
Harrogate	Improved station frontage with enhanced access for active modes. Improved facilities for walking and cycling in the town centre. Improved public realm.	£7.8
Selby	Improved station frontage with improved links and access to the nearby bus station. Improved walking and cycling links to two major development sites, including a new cycle and footbridge over the River Ouse, to the Olympia Park development site.	£17.5
North Yorkshire TOTAL		£31.1

4.0 Partnership working and relationship management

4.1 WYCA submitted the TCF bid to the DfT on behalf of all of the participating Leeds City Region authorities. WYCA are the accountable body for the bid and are therefore the body to whom the funding award is made, and who are responsible for providing information on project delivery and scheme monitoring and evaluation to the DfT.

4.2 On this basis, funding will be passed by DfT to WYCA and then participating authorities will, as they progress through the WYCA assurance process, be eligible to claim back development costs, and in time, spend incurred in delivering the schemes.

- 4.3 NYCC will be the North Yorkshire authorities' accountable body and will receive funding on behalf of the four authorities. Where schemes are being delivered by the district/borough council, this funding will be claimed back by the relevant council on a quarterly basis.
- 4.4 WYCA have designated a Project Manager to oversee the development of the North Yorkshire schemes, and to support the officers from the North Yorkshire authorities in ensuring compliance with the WYCA assurance process. This officer is already working with the North Yorkshire authorities' officers.

5.0 Governance and approach to delivery

- 5.1 A governance structure for the TCF programme is attached at Appendix A – this sets out the LCR approach to governance, and shows where the existing NYCC Capital Projects Boards feeds into this process. In addition, there will be a requirement to establish a TCF North Yorkshire Project Board, to meet as required, comprising members and officers from the four relevant North Yorkshire authorities. It is proposed that as accountable body for the North Yorkshire funding that the County Council should lead this board. In addition, three district/borough level project team meetings will be established – these would comprise appropriate officers from NYCC, the district/borough councils, and potentially from stakeholders (i.e., Network Rail) as and where appropriate.

6.0 Delivery

- 6.1 The DfT have been clear in their guidance that any funding awarded through the TCF must be spent by 31 March 2023.
- 6.2 In addition to this, it is generally accepted that funds awarded by DfT are finite, and that no additional funding will be awarded in the event that a project overspends, or slips. Should schemes overspend, or slip, resulting in overspend, it will therefore be incumbent on the delivering authority, to manage this appropriately.
- 6.3 As a consequence of this, it should be recognised that any risk in overspend is likely to be borne by either the county council, or through the funding agreements with NYCC, the district/ borough council, dependant on who is the lead authority for the scheme. This responsibility and risk burden will be set out in detail in the relevant financial and legal agreements.
- 6.4 Costs across the TCF programme will be managed by WYCA, and therefore, there is potential that overspends could be absorbed by the overall programme, should funding be available, and an appropriate case be made for financial support, However, this is entirely dependent on the circumstances of each case, and should not be relied upon. Wherever possible, effective programme and project management, will reduce the risk of project cost increases, and if necessary, project scopes may be reduced to ensure delivery within the available funding.
- 6.5 In the event that any NYCC overspend did require additional funding, it is suggested that this should be sourced from LTP Integrated Block Allocation and/or Civil Parking Enforcement (CPE) surplus. This will however, be dealt with on a case by case basis, and all alternative options investigated before a request for funding is made.
- 6.6 Officers from NYCC are currently working with both WYCA and the district /borough councils to put in place funding agreements, for the delivery of the TCF projects. Further details on this are set out in section 12.0.
- 6.7 In the main, the schemes to be delivered are on highway, and will therefore be project managed by the County Council, however, in some cases, schemes will be led by the

relevant district/borough council, if predominantly off highway. The breakdown of scheme ownership is attached at Appendix B.

- 6.8 Arrangements for the delivery of the schemes have been embedded into the bidding process with the likely delivery arms of the County Council and the district/ borough councils involved from an early stage. Following the success of the bid more detailed discussions have already commenced. Highways area based staff, specialist teams (i.e., Bridges and Structures), alongside relevant district/ borough council projects leads, have met online and in person with officers from transport planning, WYCA and WSP project consultants to discuss the approach to delivery and mobilisation. Where area based staff have less capacity to deliver projects, they will be supported by WSP.
- 6.9 Ability to deliver within the fund's timescales was one of the key criteria in scheme prioritisation, and as such it is important that project teams make every effort to deliver on time and in budget.
- 6.10 In common with other DfT funding streams, and as set out in section 6 above, there will be a requirement for delivery teams to provide details of output milestones and provide details of progress against delivery.
- 6.11 The DfT also required all TCF programmes to monitor and evaluate their interventions and report on this appropriately.
- 6.12 Any approach to monitoring and evaluation will be developed in partnership with WYCA and the relevant district/borough councils.

7.0 Recruitment and resourcing

- 7.1 In the cost estimates for every project developed, provision has been made for preparation and supervision costs. This will allow for dedicated TCF resource to be recruited by NYCC, and in addition, for resource to be commissioned externally where necessary.
- 7.2 In view of the value of the North Yorkshire TCF schemes, it is recommended that a Project Manager be appointed to oversee the delivery of the £31m programme.
- 7.3 It is therefore proposed to advertise and appoint to a newly created, TCF Project Manager post, for a fixed term, until 2023.
- 7.4 The specifics of this post are being considered by Employment Support Services, and will be shared with district/ borough council colleagues in advance of commencing the recruitment process.
- 7.5 A report will be provided on this to the Corporate Director BES in coming weeks.

8.0 Risk Management

- 8.1 As with all projects, there are risks to be managed, or mitigated. These will be considered, both at a project level and at programme level, by way of the governance structure set out in Appendix A.
- 8.2 A full risk register has been developed and a more comprehensive North Yorkshire project level risk register will be completed following the appointment of the Project Manager. Individual scheme risk registers will also be required to be completed throughout the delivery.

- 8.3 WYCA have generated a high level risk log for the programme overall. This is available on request.
- 8.4 In addition to this, WSP, on behalf of WYCA, have also carried out a project health check exercise, assessing each package of projects against various scheme criteria, particularly around delivery and the schemes' alignment with fund objectives. This work, which currently shows a good level of performance and strategic fit from the North Yorkshire schemes, will be undertaken periodically throughout the programme, to ensure a responsive and realistic approach to programme management.
- 8.5 Key risks to be managed at this time include:

Risk	Approach
Cost overspend	Alternative funding sources to be considered, programme surplus to be requested, schemes to be scaled down where possible.
Programme slippage	Regular programme reviews and project health check assessments. Governance structure will ensure effective collaboration and reporting. Use of the WYCA project management system will supplement our own processes and alert us to delivery risks as soon as possible.
Partner authorities' delivery	Supportive management and collaborative approach. Support from newly appointed Programme Manager and WYCA Project Manager. Regular project meetings and reviews as set out above.
Finance and legal agreements (though these may be the mitigation?)	In the event that any of the parties involved do not make good on their obligations set out in the agreements, redress may be taken. NYCC Legal Services have reviewed all documents to ensure that the agreements are proportionate and appropriate.
COVID 19	Regular reviews of impact of COVID 19. Mitigated where possible through redeployment of resource, or reviews of programme to effectively manage programme and minimise impact on delivery.
Devolution (WYCA and YNY)	Continue to work closely with West Yorkshire Partners and ensure that the North Yorkshire schemes are delivered in line with the funding award and DfT award letter.
Insufficient programme risk and contingency allocation	In some cases, the amount of risk and contingency falls short of industry standards. This is due to an issue in project cost build up, based on incorrect advice given by WYCA's project team. This is currently being resolved by WYCA with further reports on this matter being taken to the TCF portfolio board in due course.

9.0 Programme Finance

- 9.1 The combined value of the North Yorkshire schemes is c£33m. The detailed apportionment of funds between District/ Borough Councils and the County Council in each area is yet to be finalised, but broadly is as follows:

Package	NYCC	District Council	Total*
Craven	£4,951,000	£1,057,000	£6,008,000
Harrogate (without cycle scheme)	£4,631,771	£3,311,389	£7,943,160
Selby	£9,045,500	£10,317,000	£19,362,000
TOTAL	£18,559,271	£14,584,889	£33,313,160

*NB – total scheme costs include contributions.

- 9.2 Across the programme there are a range of local contributions as follows:

Package	NYCC	District Council	Total
Craven	£100,000	£100,000	£200,000
Harrogate (without cycle scheme)	£100,000	To be determined.	£100,000
Selby	£100,000	£1,797,000* Includes s106 and SDC's economic development monies	£1,897,000
TOTAL	£300,000	£1,897,000	£2,197,000

- 9.3 The NYCC contribution will be funded from the Sustainable Transport and Air Quality budgets.
- 9.4 Contributions listed from the district/borough councils are those that have been identified thus far. In the case of Harrogate BC, contributions have not as yet been identified, but it is hoped that as the projects progress, additional contributions will be found, to either reduce the call on the TCF pot, or add value to the Harrogate projects.
- 9.5 Project spend and costs incurred will be claimed from WYCA, as the accountable body. This will be undertaken on a quarterly in arrears basis, using WYCA's PIMS (Project Information Management System) online programme.

10.0 Equalities

- 10.1 Consideration has been given to the potential for any adverse equalities impacts arising from the recommendations of this report. It is the view of officers that the recommendations included in this report do not have an adverse impact on any of the protected characteristics identified in the Equalities Act 2010. An Equalities Impact Screening Form is attached as Appendix C.
- 10.2 Equalities Impact Assessments will be undertaken on each project at the appropriate stage of scheme development.

11.0 Finance

- 11.1 Overall, £31.1m was made available to the North Yorkshire authorities from the LCR bid. As set out in section 3.3 above, this will be split between three North Yorkshire areas, with NYCC taking responsibility for delivery of highways and transportation schemes, and the relevant district/ borough councils responsible for the 'off highway' elements.
- 11.2 As set out above, the funding will be payable to NYCC quarterly in arrears, in line with many DfT funding streams. This will require NYCC and the district/ borough councils, to use the WYCA's Project Information Management System (PIMS) online tool, in order to populate their delivery and monitoring records. This will then generate a claim for expenditure in the previous quarter.

12.0 Legal

- 12.1 Initial legal discussions have taken place between NYCC and WYCA legal officers. This is to enable the two organisations to agree to the terms set out in a funding agreement and a partnership agreement. (These documents are available from Legal Services on request.)
- 12.2 In turn, NYCC and district council legal teams will agree terms based on a 'flowing down' of obligations from the WYCA funding agreement. This will ensure the risk and responsibility

for schemes flows with the finance down to the lead organisation for delivery (either NYCC or the relevant district/ borough council). It is intended that NYCC will ensure that in circumstances in which delivery is the duty of a district/ borough council that such risks and responsibilities are flowed down appropriately.

13.0 Recommendations

- 13.1 That Members note the content of the report.
- 13.2 That subject to any comments Members may have, the £31.1m funding from the Department for Transport be accepted.
- 13.3 That Members approve the approach that any overspends are funded through the LTP budget.

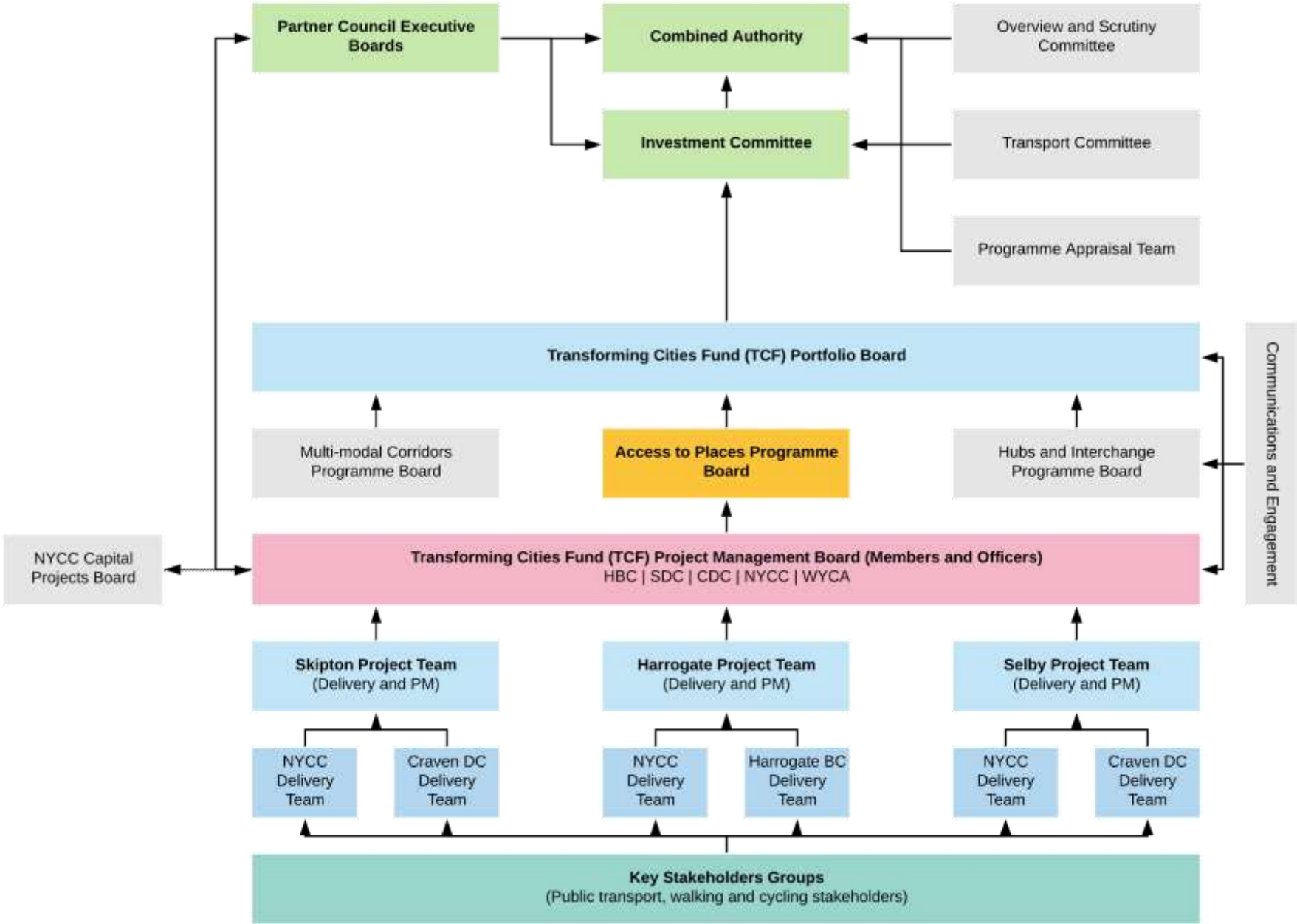
DAVID BOWE
Corporate Director – Business and Environmental Services

Author of Report: Rebecca Gibson

Background Documents: None

Appendices:

Appendix A - Governance Structure for the TCF programme
Appendix B - Breakdown of Scheme Ownership
Appendix C – Equalities Impact Assessment (EIA)



Information correct as per 11/10/19

Transforming Cities Fund: Summary of Scheme Components and Promoters/Owners

Location	Scheme	ID	Scheme Component	Scheme Promoter/ Owner
Selby Gateway	Selby Station Plaza	1	a. Station frontage and Station Road public realm and reconfiguration (including conversion of Selby Business Park and Car Park to public realm and Selby Park Link) (Drawing 003 & 004) Also including additional estimates for;- - £1.1m for land acquisition of Selby Business Centre, - £400k for acquisition of the car park and £250k for demolition, - £1m for station facility improvements, including improved passenger waiting facilities, ticket machines, information boards, café etc., - £100K for package of sustainable travel measures including cycle storage, EV charge points etc.	SDC SDC SDC SDC
		2	b. The Crescent / Park Street junction improvements (Drawing 001)	NYCC
		3	c. Portholme Road pedestrian & cycle tunnel (Drawing 004)	NYCC
		4	d. Bus station passenger environment improvements (Drawing 004) including land acquisition costs of £400k for Selby Railway Sports and Social Club plus £150k for demolition	SDC
		5	e. Cowie Drive improvements (Change of land use of Tando Fabrications to temporary surface car park, Surface access improvements on Cowie Drive, Temporary link into Platform 2 from Cowie Drive) (Drawing 008 and top of drawing 005) including land acquisition costs of £450k acquisition plus £250k for demolition	SDC

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	Olympia Park Pedestrian and Cycle Bridge	6	Olympia Park Pedestrian and Cycle Bridge (Drawing 005) including land acquisition costs of £80k for the landing platform	NYCC
	Ousegate Corridor	7	a. Improved public footways and cycle infrastructure on Ousegate between A19 and Station Road (Drawing 002)	NYCC
		8	b. Improved public realm and cycle infrastructure between Station Road and proposed Bridge (Drawing 005)	NYCC
		9	c. Improved public realm and cycle infrastructure between proposed Bridge extending eastwards to the rear of The Waterfront and involving a replacement Canal Bridge. (Drawing 006 & 007)	SDC / NYCC
Skipton Gateway	Rail Station Facility and Plaza Improvements (Scheme 1)	10	Rail Station Facility and Plaza Improvements: station car park reconfiguration, public realm enhancement, Broughton Road / Carleton New Road Junction Reconfiguration	CDC/NYCC
	Active Travel Corridor (Scheme 2)	11	Active Travel Corridor from Rail Station to A6131 Keighley Road, via Broughton Road, Belmont St to Swadford S	NYCC
	Canal Towpath Improvements (Scheme 3)	12	Skipton Station to Skipton Academy Canal Towpath Improvements	CDC
	Black Walk widening, Craven Street / Carleton Street pedestrian crossing,	13	Black Walk widening, Craven Street / Carleton Street pedestrian crossing, Cavendish Street advisory cycle lane	NYCC

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	Cavendish Street advisory cycle lane (Scheme 4)			
	Gas Street Pedestrianisation and traffic calming	14	Gas Street Pedestrianisation and traffic calming	NYCC
	Gallows Bridge (Scheme 4)	15	Gallows Bridge replacement	NYCC

Harrogate Gateway	Public Realm Schemes	16	a. Station Square public realm	HBC with NYCC input
		17	b. James Street pedestrianisation	NYCC (with HBC Input)
		18	c. Bower Street / Bower Road pedestrian improvements	NYCC (with HBC Input)
	Station Gateway	19	a. Cheltenham Parade / Station Parade junction reconfiguration	NYCC
		20	b. Reduction of Station parade to one lane	NYCC
		21	c. Two-way cycle lane on Station Parade	NYCC
		22	d. Footway widening and associated civils works	NYCC
		23	e. Station Parade / Station Bridge junction improvements	NYCC
		24	f. Signal upgrades on any of these junctions	NYCC
		25	g. Package of Sustainable Travel Measures for Station (could include cycle storage, EV charge points etc)	HBC

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Mitigation Measures	26	a. Cheltenham Parade / Cheltenham Mount junction	NYCC	
	27	b. Dragon Parade advisory cycle lane	NYCC	
	28	c. Bower Road / Dragon Parade junction improvements	NYCC	
	29	d. Haywra Crescent advisory cycle lane	NYCC	
	30	e. East Parade / Station Access junction improvements	NYCC	
	31	f. East Parade / Station Bridge junction improvements	NYCC	
	32	g. Signal upgrades if necessary on any of these junctions	NYCC	
	Beech Grove	33	a. Two-way cycle lane from junction with Otley Road to Station Parade	NYCC
	Victoria Avenue Cycle Scheme	34	a. Victoria Avenue cycle lanes	NYCC
		35	b. Victoria Avenue / Marlborough Road roundabout	NYCC
36		c. Queen Parade cycle routes, Park Parade	NYCC	
37		d. Stray Route	NYCC	
38		e. Granby Road	NYCC	
Harrogate to Knaresborough Cycle Link	39	Harrogate to Knaresborough Cycle Link	HBC/NYCC	

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	BES		
Service area	H&T		
Proposal being screened	Transforming Cities Fund award of funding		
Officer(s) carrying out screening	Rebecca Gibson		
What are you proposing to do?	Accept £31m funding from the DfT's Transforming Cities Fund		
Why are you proposing this? What are the desired outcomes?	In order to deliver schemes which have been prioritised for funding in the TCF programme.		
Does the proposal involve a significant commitment or removal of resources? Please give details.	The proposal is securing funding, which will cover the costs of the resource necessary to deliver the programme.		
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		X	
Disability		X	
Sex (Gender)		X	
Race		X	
Sexual orientation		X	
Gender reassignment		X	
Religion or belief		X	
Pregnancy or maternity		X	
Marriage or civil partnership		X	
NYCC additional characteristic			
People in rural areas		X	
People on a low income		X	
Carer (unpaid family or friend)		X	
Does the proposal relate to an area where there are known inequalities/probable impacts (e.g.	No, but in all cases, the schemes being developed should enhance, rather than		

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disabled people's access to public transport)? Please give details.	inhibit people's ability to access travel options and opportunities.		
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.	No.		
Decision (Please tick one option)	EIA not relevant or proportionate:	<input checked="" type="checkbox"/>	Continue to full EIA:
Reason for decision	No adverse impact on any groups with protected characteristics. EIA's will however be undertaken for each project as schemes progress.		
Signed (Assistant Director or equivalent)	Barrie Mason		
Date	04/05/20		