



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item: 2.6

## Transforming Cities Fund

To: Transport and Infrastructure Committee

Meeting Date: 16 November 2022

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Tim Bellamy, Interim Head of Transport

Key decision: No

Forward Plan ref: N/A

Recommendations: The Transport and Infrastructure Committee is recommended to:

- a) Note the progress in managing the overarching TCF programme and recognise the positive feedback from central government;
- b) Agree the recommended capital replacement schemes for the TCF programme for approval by the Combined Authority Board and central government;
- c) Delegate powers to the Chair of the Transport and Infrastructure Committee to inform the Department for Transport of the revised TCF programme with the expectation that the fund will be allocated in full; and
- d) Delegate powers to the interim Head of Transport in consultation with the Chief Finance Officer and Monitoring Officer to ensure the timely sign off for the Grant Funding Agreements with the County Council and other delivery partners, thereby reducing any potential delay in the programme.

Voting arrangements: Item a) is for Noting only.

For item b) c) and d) A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils, to include the Members appointed by Cambridgeshire County Council or Peterborough City Council, or their Substitute Members

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

# 1 Purpose

- 1.1 The purpose of this paper is to set out the expected (forecasted) spend in relation to the Transforming Cities Fund (TCF) and agree the capital replacement schemes that will be undertaken to take up the shortfall. The paper outlines those schemes that cannot be delivered in full against the DfT's fund requirement. The process and criteria used to bring forward potential replacement schemes, and the final TCF list of schemes for submission to the Board and subsequently the Department for Transport (DfT).
- 1.2 Officers from Cambridgeshire County and Peterborough City Councils have provided input into the capital replacement scheme prioritisation exercise. This exercise and subsequently this report have incorporated suggestions and comments from constituent Councils' Chief Executives and Leaders following a series of meetings in August.

# 2 Background

- 2.1 The TCF is a capital grant transport fund aimed at driving up productivity through investments in public and sustainable transport infrastructure in some of England's largest city regions. Unlike the large city regions where the application was expected to focus on urban areas, the funding allocated in this region was to improve the quality of life for those within the whole of Cambridgeshire and Peterborough. (i.e., across the urban and rural area) – the fund is not restricted to cities but has to be spent within the boundaries of the Combined Authority.
- 2.2 The aims of the TCF are to:
  - Improve access to good jobs;
  - Encouraging an increase in journeys made by low-carbon and sustainable modes;
  - Tackling air pollution;
  - Access to good jobs;
  - Delivering more homes;
  - Delivering apprenticeships and improving skills investments; and
  - Encouraging the use of new mobility systems and technology as part of the Future of Mobility Grand Challenge established in the Industrial Strategy.
- 2.3 This was reiterated through the Grant Determination of March 2018, that stated that the purpose of the TCF was to boost productivity, transform intra-city connectivity and reduce congestion through investment in public and sustainable transport in Cambridgeshire and Peterborough. It is therefore imperative that all TCF projects meet at least one or more of these objectives.
- 2.4 Around half of the TCF (£1.08 billion) was allocated to six Mayoral Combined Authorities (MCAs) on a per capita and devolved basis. Cambridgeshire and Peterborough Combined Authority area allocated £95 million.
- 2.5 In Cambridgeshire and Peterborough, the TCF has been devolved to the Combined Authority. Decisions about how to invest the fund are taken by the Combined Authority Board in accordance with the aims for the Fund set out in the devolution agreement, the Authority's Constitution, Assurance Framework, and strategic policy framework.
- 2.6 Within the TCF guidance, government outlined that it recognises Local Authorities were best placed to identify the types of projects to deliver and seeks to partner to develop packages of proposals that deliver transformative improvements in connectivity.

## What are the key issues?

- 2.7 In the March Combined Authority Board Paper, it was stated that projects included within the original Delivery (Implementation) Plan have been delayed for a number of factors including:
- Significant policy changes both nationally and regionally;
  - Upgrading LTN 120 / Gearchange compliance within stage design;
  - Environmental design additions due to climate change policy changes; and
  - Road space clashes with Strategic Road Network schemes.
- 2.8 As a result, this has resulted in a need for a revision to the way business cases are delivered from their stage inception.
- 2.9 The paper stated that the Combined Authority will approach the DfT to discuss a potential extension to the delivery completion date due to the delays to project due to COVID impacts on delivery and materials availability. In addition, the paper outlined that, in agreement with DfT colleagues' and Combined Authority Board Members, recommendations would come back to the Combined Authority Board to propose replacing existing projects that are likely to underspend or slip further in 2022/23 with new projects which would be able to deliver within the required timescales.

## Current Funding Position: 2022/23

- 2.10 The total budget for TCF is £95m for Cambridgeshire and Peterborough.
- 2.11 At the July CPA Board Meeting £347,000 grant funding was approved from the Transforming Cities Fund budget for the North Cambridgeshire Training Centre, located within the Fenland district. Since this was agreed, a further £140,000 has been sought to finalise the project, which is reflected in the cost profiles outlined in Table 1.
- 2.12 The cost for the Regeneration of the Fenland Railway Stations is expected to increase to £3.67m with expenditure for this year projected to be £267,000.
- 2.13 Following a robust, thorough review of the programme, it has emerged that there is likely to be an underspend, in the region of £3m (difference between £95m and forecasted spend of £92m detailed in Table 1). The table below illustrates the current position and expected forecast. In order to fully utilise the funding stream, the Combined Authority will be over-programming to £97m to ensure the maximisation of the funding, with the potential to move funding from Gainshare to pay a proportion of the Kings Dyke project (in the region of £2m).

Project title	Spend to Q2 22/23 £'000	22-23 still to spend £'000	23-24 forecast spend £'000	24-25 forecast spend £'000	Total TCF budget £'000	Budget changes £'000	Ref
A1260 Nene Parkway Junction 15	1,851	7,111	900	-	8,960	-	
A1260 Nene Parkway Junction 32/3	832	711	5,850	-	7,387	4	
A141 & St Ives	276	1,737	5,715	-	7,728	(848)	1
A16 Norwood Dualling	634	227	1,200	-	1,960	(11,220)	2
A505 Corridor	451	135		-	544	1	
Coldhams Lane Roundabout Improvements	367	-	-	-	367	(2,434)	3
Fengate Access Study - Eastern Industries Access - Phase 1	937	155	11,006	-	12,025	5,672	4
Fengate Access Study - Eastern Industries Access - Phase 2	392	1,322	448	250	2,386	230	5
March Junction Improvements	2,897	2,114	5,573	-	10,159	3,966	6
Regeneration of Fenland Railway Stations	3,400	-	267	-	3,667	(407)	7
Soham Station	18,584	175		-	18,715	(2,093)	8
Wisbech Access Strategy	275	-		-	275	-	
Wisbech Rail	1,600	241	80	-	1,899	(5,607)	9
ZEBRA capital funding	-	1,963		-	1,963	-	
A10 Upgrade	-	-	2,000	-	2,000	-	
North Cambridgeshire Training Centre Roundabout	-	487	-	-	487	140	10
A605 Oundle Rd Widening - Alwalton	1,006				1,006	-	
Cambridge South Station	1,384				1,384	-	
A47 Dualling	650				650	-	
Queen Adelaide Level Crossing	183				183	-	
Transport Services	66				66	-	
King's Dyke	6,480	1,700			8,180	(1,509)	11
<b>TCF projects total</b>	<b>42,265</b>	<b>19,861</b>	<b>33,039</b>	<b>250</b>	<b>91,991</b>		

Table 1: TCF Financial Forecast (£000s)

N.B. grey rows are completed projects; budget changes are relative to the capital programme as amended by the September 2022 CA Board

<b>Reference Number</b>	<b>Scheme</b>	<b>Updated Position (Committee / Board)</b>
1	A141 & St Ives Improvements	July 2022 Board Meeting
2	A16 Norwood	November 2022 TIC Meeting
3	Coldhams Lane Roundabout Improvements	April 2020 TIC Meeting
4	Fengate Access Study - Eastern Industries Access - Phase 1	October 2022 Board Meeting
5	Fengate Access Study - Eastern Industries Access - Phase 2	January 2022 Board Meeting
6	March Junction Improvements	October 2022 Board Meeting
7	Regeneration of Fenland Railway Stations	Included within this paper
8	Soham Station	January 2021 Board Meeting
9	Wisbech Rail	November 2022 TIC Meeting
10	North Cambridgeshire Training Centre Roundabout	November 2022 TIC Meeting
11	King Dyke	October 2022 Board Meeting

Table 2: Governance Position on TCF Schemes

2.13 As a result, there is a need for a revised programme. The process undertaken to determine the capital replacement schemes is outlined below.

### Need for a revised programme

2.14 Following a thorough review of the programme it became evident that a number of schemes will not be delivered to the original timescales and costs. This includes the A16 Norwood dualling scheme where significant concerns remain around the possibility of delivering the scheme to the appropriate timescales for TCF. The Combined Authority remain committed to the scheme and have £1.2 million has been assigned from the TCF to continue work on the development of the Full Business Case (pipeline scheme). Therefore, due to the time limited nature of the TCF it was necessary to recycle and reallocate a significant proportion of the funding within the TCF pot.

2.15 Due to a number of concerns remaining around the deliverability of the initial TCF schemes in the timescales, and corresponding potential for a significant underspend, the Combined Authority with partners (Cambridgeshire County Council and Peterborough City Council) have identified and evaluated potential alternative projects which are deliverable in the short term. An initial assessment was undertaken to ensure that the potential capital replacement schemes are deliverable ahead of the March 2024 deadline (previously outlined to central government the deliverability expectations and limitations). Following this evaluation, the proposed replacement schemes were assessed against its good strategic fit against the goals, aims and objectives of the TCF and the emerging Local Transport and Connectivity Plan. This assessment was undertaken by the Combined Authority, Cambridgeshire County and Peterborough City Councils as the Strategic Transport and Highways Authorities.

2.16 Alternative funding sources and delivery programmes will be continually explored for those initial TCF schemes that are not able to be finalised during this financial year. Projects removed from the TCF programme through this exercise cannot be guaranteed alternative funding from within the CPCA's resources.

### Replacement projects (including forecasted costs)

2.17 The recommended additional capital replacement schemes that will be funded utilising TCF are:

<b>Scheme</b>	<b>Cost (£m)</b>	<b>District/City</b>
Centre for Green Technology	£2.500	Peterborough
County-wide speed reduction	£0.800	County-wide
Smaller Road Safety Measures including School Streets	£0.100	County-wide
The Brook Crossing, Sutton	£0.225	ECDC
Northstowe Park and Ride Link	£0.500	SCDC
Mill Road, Cambridge	£0.150	CCiC
East Park Street Crossings, Chatteris	£0.260	FDC
Carlyle Road Crossing	£0.225	CCiC
A603 Barton Rd - Driftway Junction	£0.400	CCiC
Addenbrookes Roundabout	£0.200	CCiC
	<b>£5.360</b>	

Table 3: Capital Replacement Schemes

- 2.18 Effective management of the pipeline of schemes is essential and some ability to flex will be necessary. Firstly, this will allow for any replacement schemes necessary to immediately take up slippage in the programme. In addition, it will also ensure that as and when new, alternative funding sources emerge then the Combined Authority and its partners are in a stronger position to submit robust applications and bids.

### **Critical project management**

- 2.19 Monitoring and evaluation on the TCF schemes has been and will continue to be carried out in line with the Combined Authority's Monitoring and Evaluation Framework. All projects are subject to robust project management arrangements including monthly highlight reporting – the outputs from which are shared with Members. All projects are required to have a logic model and evaluation plan.
- 2.20 In addition, we are a partner in the independent gateway review of TCF and are engaging with the independent review team appointed by DfT.

### **Liaison with central government**

- 2.21 Officers continue discussions with the DfT officials to fully understand government's expectations around the TCF with regards to our spend profile, the potential for project replacements (based on the themes outlined above) and deadline for delivery. Appendix 1 outlines the update provided to DfT by the Combined Authority in October.
- 2.22 Central government have reiterated that projects need to be delivered by March 2024 (at the latest). It is the Combined Authority's expectation that central government will provide the full £95m budget for TCF, utilising the conditions previously outlined. However, it is important that the Combined Authority and partners continue to build confidence that the programme (including revisions) will be delivered to time and budget. Therefore, the Combined Authority are having regular contact with government to outline the ongoing, robust programme management.

### **Timescales**

- 2.23 Following approval by this Transport and Infrastructure Committee, the potential revised programme will need to be agreed by the Combined Authority Board later this month to allow sufficient time to deliver the schemes to time and budget.

## **Significant Implications**

### **3 Financial Implications**

- 3.1 The financial implications are dealt with in the main body of the paper.

### **4 Legal Implications**

- 4.1 Grant funding agreements will only be completed once the potential revised programme receives approval from DfT and confirmation of funding is also provided.

### **5 Public Health Implications**

- 5.1 Key components of the TCF objective assessment included an understanding around how the potential capital replacement schemes would improve access to good jobs and skills, as well as tackling air pollution (quality).



## **6 Environmental and Climate Change Implications**

- 6.1 Key components of the TCF objective assessment included an understanding around how the potential capital replacement schemes would encourage an increase in journeys made by low-carbon and sustainable modes; and tackling air pollution (quality).

## **7 Other Significant Implications**

- 7.1 None.

## **8 Appendices**

- 8.1 Appendix 1 – CPCA Update to DfT.
- 8.2 Appendix 2 – Capital Replacement Scoring Mechanism.
- 8.3 Appendix 3 – Prioritised (Scored) Capital Replacement Schemes.

## **9 Background Papers**

- 9.1 None.