PURPOSE OF REPORT

To provide an update to Members on the latest position in relation to the Local Growth Deal Transport Programme; following on from the last update in April 2015.

RECOMMENDATIONS

Members are asked to:

i) Note the current position in relation to the current Growth Deal Major Schemes programme;

ii) Note the current position in relation to the current Growth Deal Minor Works and Additional Priorities programmes;

iii) Note Manchester City Council’s intention to progress with advanced utilities works in the region of £0.4 million on the MSIRR Regent Road / Water Street scheme, subject to the agreement of the detailed arrangements by the GMCA Treasurer, the MCC Treasurer and the TfGM Finance and Corporate Services Director; and

iv) Note the submission of a bid in relation to the third round of Growth Deal funding.

BACKGROUND DOCUMENTS

Report to TfGMC 12 September 2014 and report to Capital Projects and Policy Committee 10 April 2015.

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1. INTRODUCTION AND BACKGROUND

1.1 The Growth Deal announcements made by Government in July 2014 and January 2015 confirmed capital funding for Greater Manchester in relation to a programme of Major Schemes, Minor Works and Additional Priorities.

1.2 This report provides an update in respect of the current position on, and recent progress in relation to, the various elements of the Growth Deal programme; to note MCC’s intention to progress with advanced utilities works in the region of £0.4 million on the MSIRR Regent Road / Water Street scheme; and to provide an overview of the recent submission that has been made to Government in relation to the third round of Local Growth Deal funding.

2. MAJOR SCHEMES OVERVIEW

2.1 As of August 2016, three schemes have progressed through Full Approval and are now in implementation (either in their entirety or on a phased Full Approval basis); with seven schemes having secured Conditional Approval and now working towards the achievement of Full Approval.

2.2 In support of the scheme progression process, comprehensive public consultation exercises in relation to six initiatives (Tameside Interchange (Ashton-under-Lyne), Wigan Bus Station, Stockport Interchange, Stockport Town Centre Access Phase 2, the South Heywood Area Wide Improvements and MSIRR Regent Road / Water Street) either have been or are being undertaken. Planning Consent on the Tameside Interchange (Ashton-under-Lyne) and Wigan Bus Station schemes has been granted and determination of Planning Applications in relation to Stockport Interchange Bridge and a number of Stockport Town Centre Access Phase 2 schemes are due imminently.

2.3 In addition, and in support of both the economic growth objectives of the wider Local Growth Deal programme and Greater Manchester’s residential development agenda, a feasibility exercise has been undertaken in relation to the potential to deliver substantive complementary development in conjunction with the three Growth Deal Interchanges schemes. This study has concluded that the initiative has the potential to represent a commercially viable proposition which, when brought together as an overall development package, with other sites in Greater Manchester, is likely to prove attractive to the investor / development market. Following discussion with the GM Chief Executives, Greater Manchester Place and other key stakeholders in relation to the potential scope and benefits of the proposed package, work is now underway in relation to a comprehensive procurement exercise to secure an appropriate Investor / Developer partner for the delivery of this initiative.
3. INDIVIDUAL SCHEMES UPDATE

3.1 Work to develop all of the Major Schemes within the Growth Deal programme has been continuing in recent months. A brief summary of the current position in relation to each of these schemes is provided below.

**South Heywood Area Wide Improvements**

3.2 The scheme has been granted Conditional Approval in line with the agreed Growth Deal governance arrangements. Feasibility design and key stakeholder engagement is ongoing ahead of submission for a planning application later in the year. A public exhibition took place in July 2016 seeking views from the public with attendance from over 200 people. Works are due to commence on site in 2018, following the intended securing of planning consent in 2017.

**Wigan Gateway A49 Link**

3.3 Planning consent for the scheme has been secured and Conditional Approval was granted in September 2015, in line with the agreed Growth Deal governance arrangements. Wigan Council and TfGM are currently working together to further develop the Full Business Case and associated contractual arrangements for the scheme.

**Salford Central Station Additional Platforms**

3.4 The scheme was granted Conditional Approval in June 2016. The scheme was initially developed based on assumptions around rolling stock length prior to the announcement of actual franchise plans. The Ordsall Chord design constrains the platform lengths to take only 4-car trains therefore preventing longer services, including 5-car TPE services, from stopping at the proposed new platforms. To maximise the benefits of the additional platforms scheme TfGM and Salford City Council are working with the rail industry to enable the best service provision at the station by reassessing the scheme to account for longer trains and the need for further platform lengthening. Understanding that this approach will delay the delivery of the new platforms, TfGM will continue to press Network Rail to deliver their CP5 commitments at the earliest opportunity to reduce the stepping distances between trains and platforms 1 and 2, whilst simultaneously carrying out a review of the delivery arrangements for the scheme.

**MSIRR Improvements – Regent Road / Water Street**

3.5 Conditional Approval was granted in June 2016, in line with the agreed Growth Deal governance arrangements. Close liaison with Network Rail continues to take place during the scheme development process to ensure the delivery programme aligns with the implementation timescales for the
Northern Hub Ordsall Chord works, which are being undertaken in close proximity to these improvements and will impact upon site access and traffic management arrangements. The procurement and delivery arrangements for the main works are under review, with a view to identifying the optimum implementation route in terms of both efficiency of delivery and impact on the surrounding highway network. A public consultation exercise is due to commence imminently ahead of full approval and starting the main works in early 2017. In order to mitigate scheme risk, it is intended to carry out advanced utility works with a value in the region of £0.4 million later in the year; subject to the detailed arrangements being agreed by the GMCA Treasurer, the MCC Treasurer and the TfGM Finance and Corporate Services Director.

**Wigan Gateway M58 Link**

3.6 Wigan Council is liaising with Highways England and Network Rail to develop the connections for the new scheme into the motorway and railway networks. These discussions are helping to inform the most effective delivery of the scheme. An initial business case is proposed to be submitted for Gateway Review in spring 2017, in parallel with the submission of a planning application.

**MSIRR Improvements – Great Ancoats Street**

3.7 The outline design has been developed to take into account the wider economic development planned for this part of the Regional Centre; along with discussions with stakeholders which will include developers at key stages going forward. The submission of an initial business case for Gateway Review is scheduled for early 2017. Full Approval and the award of a construction contract are scheduled for late 2017.

**Wigan Bus Station**

3.8 Conditional Approval for the scheme was granted in December 2015.

3.9 Following the undertaking of a comprehensive public consultation exercise in November and December 2015, a Planning Application was submitted in January 2016 and approved in April 2016. The procurement exercise has commenced and works are currently scheduled to start on site in 2017.

3.10 In conjunction with the current work which is being undertaken to develop the design for the scheme, a parallel initiative is being progressed to explore potential development opportunities which might be appropriate for construction in the vicinity of the core transport infrastructure.

3.11 A detailed update on this scheme is included within the Interchanges Programme Update report also included on this meeting’s agenda.
Stockport Town Centre Accessibility Package

3.12 The Stockport Town Centre Accessibility Package (STCAP) is one of a small number of large and / or complex Local Growth Deal schemes nationally for which Ministers decided that DfT should retain approval oversight.

3.13 Following the securing of the necessary approvals from GMCA and DfT, construction of Phase One projects commenced in April 2015. To date, 13 of the 30 works packages have been completed. Work is ongoing on a further 11 works packages which are all progressing well.

3.14 There is a co-ordination team within Stockport Council managing the interfaces and objectives between the STCAP work packages and other regeneration schemes happening within the town centre over the course of the STCAP programme of works.

3.15 Work to develop the Phase Two work packages continues with these being scheduled to commence on site in spring 2017, subject to the receipt of the necessary approvals and consents.

Tameside Interchange (Ashton-under-Lyne)

3.16 Conditional Approval for the scheme was granted in September 2015.

3.17 Following the undertaking of a comprehensive public consultation exercise in August and September 2015, a Planning Application was submitted in November 2015, with Planning Consent being granted in February 2016. A procurement exercise to secure a contractor is underway and subject to the receipt of the necessary Full Approvals, works are due to commence on site in 2017.

3.18 Complementary to the current work which is being undertaken to develop the design for the scheme, a parallel initiative is being progressed to explore potential development opportunities which might be appropriate for construction in conjunction with the core transport infrastructure.

3.19 A detailed update on this scheme is included within the Interchanges Programme Update report also included on this meeting’s agenda.

Stockport Interchange

3.20 Conditional Approval for the scheme was granted in November 2015.

3.21 A comprehensive joint SMBC/TfGM public consultation exercise on the proposals for both the Interchange and STCAP Phase Two works was undertaken in November and December 2015.
3.22 Complementary to the current work which is being undertaken to develop the design for the scheme, a parallel initiative is being progressed to explore potential development opportunities which might be appropriate for construction in conjunction with the core transport infrastructure. The programme implications of this initiative for the delivery of the Stockport Interchange scheme are currently being reviewed. In parallel, a review of a package of works associated with the proposed new bridge and associated highways works is being progressed in order to mitigate project risk. A full planning application was submitted in May 2016 and was subsequently approved at the end of September 2016. These advanced works are expected to commence on site in 2017.

3.23 A detailed update on this scheme is included within the Interchanges Programme Update report also included on this meeting’s agenda.

Salford-Bolton Network Improvements

3.24 Conditional Approval for the scheme was granted in February 2016.

3.25 Full Approval for Long Causeway was achieved in March 2016 and works are now completed. Full Approval for Raikes Lane was achieved in July 2016 with works expecting to be completed in October 2016, and Full Approval for Bolton Council’s Bus Stop Upgrades was achieved in July 2016 with these works expected to commence in November. Further approvals for future works will be brought to the Combined Authority in due course.

3.26 A detailed update on this scheme is included within the Bus Priority Programme Update report also included on this meeting’s agenda.

Metrolink Service Improvement Package

3.27 Further to the granting of Full Approval for this package of works in summer 2014, all 16 trams have now been delivered, with 15 of the 16 vehicles having already been brought into operational use. All vehicles will be operational by the end of 2016 and the overall package of improvements is scheduled for completion in 2017.

4. MAJOR SCHEMES – FINANCIAL UPDATE

4.1 The Local Growth Fund grant for 2015/16 and 2016/17 has been received by GMCA. Claims for the reimbursement of expended costs from scheme promoters are being processed on an ongoing basis, in line with the agreed Major Schemes Capital Programme Guidance.

4.2 The previously approved arrangements for the cash flow of development work by scheme promoters are being kept under regular review and the
quarterly Capital Expenditure Updates to GMCA provide ongoing expenditure monitoring information in relation to these costs.

4.3 The forecast spend for 2016/17 for the Growth Deal Major Schemes, as reported to the July 2016 GMCA meeting, is £43.0 million.

4.4 The monitoring of the financial position on the Growth Deal programme which takes places on an ongoing basis has identified a number of schemes with projected potential savings or overruns against the original budget. As the GMCA’s Local Growth Deal budget is fixed, the ultimate cost risk is borne by the relevant scheme promoter, which is either GMCA, for TfGM promoted schemes, or one of the Local Authorities.

4.5 This principle, which underpins the Growth Deal programme, means each scheme promoter must agree to contribute both the local contribution included for their scheme(s) in the GMCA programme and any additional funding to meet any cost overruns. This risk is mitigated by a programme contingency controlled by Chief Executives which can be utilised to provide further funding to a scheme to meet any cost overruns as may be approved from time to time.

4.6 Discussions between GMCA, TfGM and a number of scheme promoters have identified the need to agree a mechanism for apportioning cost savings that may arise in connection with individual schemes.

4.7 It is proposed that schemes should be sub-grouped on a Local Authority basis; such that any underspend on one scheme in a particular Local Authority area should be utilised to address, where appropriate, any shortfall on another scheme(s) in that area.

5. ADDITIONAL PRIORITIES AND MINOR WORKS

5.1 In general terms the Minor Works initiatives are being delivered by the 10 GM Local Authorities and the Growth Deal “Additional Priority” initiatives are being delivered by TfGM.

5.2 The Minor Works programme represents a package of highways, public realm, cycling, walking and associated measures; with the identified interventions being very much focused on supporting economic growth.

5.3 As previously reported, the agreed governance arrangements for the Minor Works initiatives provide for the submission of Mini-Business Cases prior to the commencement of construction / delivery works on site; with approval oversight of these Business Cases resting with the GM Transport Growth Group (TGG) of senior officers.

5.4 Good progress in taking forward the Minor Works programme has been made in the last six months. As at the end of August 2016, 33 out of 53 mini-business cases have been submitted for review, with 14 of these
having been approved by TGG in line with the agreed Growth Deal governance arrangements. TfGM is currently working with scheme promoters with a view to securing TGG approval of the remaining mini-business cases at the earliest opportunity.

5.5 As previously reported, the focus of the Additional Priority initiatives is centred around Rail / Metrolink passenger improvements, multi-modal ticketing, bus passenger facilities and highways key route network resilience.

5.6 A number of Additional Priority initiatives, in particular those related to Metrolink and Rail infrastructure, have progressed to the delivery stage of the project lifecycle.

6. GROWTH DEAL 3

6.1 As Members will be aware, Government recently invited bids from LEPs across the country for a share in a further £1.8 billion of Local Growth Funding.

6.2 Following extensive consultation with Local Authority colleagues and the GM Chief Executives, a bid was submitted on behalf of the Greater Manchester LEP ahead of the 28 July 2016 deadline. The overall bid was for £240 million with a prioritised programme of works for £153 million.

6.3 The schemes included in the bid were prioritised on the basis of contribution to growth, value for money and deliverability.

6.4 A decision from Government in respect of the bid is expected in conjunction with the 2016 Autumn Statement; following on from which a further update will be provided.

7. RECOMMENDATIONS

7.1 Please see the front sheet of this report.

Peter Boulton
Head of Programme Management Services