

Decision maker:	Cabinet Member for Traffic and Transportation 14 March 2019
Subject:	South East Hampshire Rapid Transit - Transforming Cities Fund
Report by:	Tristan Samuels, Director of Regeneration
Wards affected:	All
Key Decision	No

1. Purpose of report

- 1.1 To provide an update on progress made with the Department for Transport's Transforming Cities Fund and recommends that arrangements are put in place to enable joint working with Hampshire County Council on the development and delivery of schemes.

2. Recommendations

It is recommended that:

- 2.1 Progress on Tranche 1 of the Transforming Cities Fund bid for Portsmouth and the wider South East Hampshire Region is noted, with a further report on the programme, detailing progress towards Tranche 2 to be provided following further Government announcements;**
- 2.2 Authority be delegated to the Director of Regeneration, in consultation with the Cabinet Member for Traffic and Transportation and S151 Officer, to agree contractual and other arrangements as necessary to facilitate joint working to develop a Strategic Outline Business Case for the Transforming Cities Fund with Hampshire County Council.**

3. Background

- 3.1 Portsmouth City Council and Hampshire County Council have successfully submitted a stage 1 bid to the Department for Transport's Transforming Cities Fund for a mass transit scheme within the Portsmouth City region. This bid is part of an ambition to deliver sustainable communities, spread prosperity and increase productivity by improving connectivity between where people live and work through the delivery of a transformational mass transit network.
- 3.2 Portsmouth City Council was one of twelve successful local authorities to be shortlisted to benefit from the government's Transforming Cities Fund. By

progressing to the next stage of the funding process, Portsmouth, working in partnership with Hampshire County Council, will now have an opportunity to bid for a share of £1.28 billion capital, to deliver this critical infrastructure for Portsmouth and the wider Solent area.

- 3.3 The Department for Transport released two waves of funding for the Transforming Cities Fund. First, there is an opportunity for the initial 10 shortlisted cities to bid for 'quick wins' - projects that can begin in the financial year 2018/19 and support the overall bid.
- 3.4 The Portsmouth and South East Hampshire City Region business cases were submitted on 4 January 2019, and can be found through this [link](#): Portsmouth City Region TCF
- 3.5 The Department for Transport's Transforming Cities Fund (TCF) forms part of the Government's National Productivity Infrastructure Fund (NPIF) and Industrial Strategy. The aim of the fund is to improve productivity by improving connectivity within city regions with a working day population in excess of 200,000; specifically connecting city centres to suburbs. Setting aside separate arrangements for cities under mayoral jurisdiction and taking into account enhancements announced in the Autumn budget, the TCF comprises £1.28 billion capital, available for 12 city regions to be spent between 2018/19 and 2022/23. This is broken down into Tranche 1 (up to £60 million) available for spend on 'early wins' commencing in 2018/19, and Tranche 2 (the remainder), subject to co-development and submission of a draft Strategic Outline Business Case by 20 June 2019, to be finalised by 28 November 2019.
- 3.6 Further information on the Government's ambition for TCF was published on 13 February 2019 and can be found at this [link](#).
- 3.7 Acceptance onto the Transforming Cities Fund programme represents a very significant opportunity for the City Council to enhance public transport, and pedestrian and cycle facilities, and to encourage sustainable access to existing and future planned development. In addition to the potential for accessing TCF funding, these opportunities also require partnership working with the bus operators and other stakeholders that have the potential to leverage significant additional investment (such as enhanced vehicle fleets) that could provide important and necessary local contributions.
- 3.8 For the Portsmouth city region, the bid was joint and is supported by joint governance arrangements established by the city and county councils to develop the South East Hampshire Rapid Transit (SEHRT) proposals.
- 3.9 It will be necessary for the City Council to develop joint working arrangements with the respective city councils to ensure that local resources are shared on an equitable basis.
- 3.10 Both Portsmouth and Fareham are subject to Ministerial Directives to undertake Full Business Cases addressing air quality exceedances. The South East Hampshire Rapid Transit (SEHRT) proposals are being developed in conjunction with the Air Quality Local Plans, ensuring complementary measures where possible. Some of the

worst air quality issues occur on the proposed SEHRT corridors. Investment in SEHRT will deliver significant improvements to air quality through better traffic flow, mode shift and low emission buses.

- 3.11 Complementary active travel corridors to connect wider communities to the SEHRT will also be developed as part of the Transforming Cities Funding proposals and the emerging Portsmouth Local Cycling and Walking Infrastructure Plan

Tranche 1 submissions

- 3.12 Following publication of guidance by DfT in December for Tranche 1 'early wins', a bid was submitted for the Portsmouth city region on 4 January 2019. Details of each bid can be found at the following [links](#). In summary, the elements of each bid that relate to Portsmouth comprise:

- Further deployment of real time information at bus stops on bus corridors in across the city; and
- Upgrade of three key junctions including:

- 3.13 It is expected that an announcement will be made by DfT on funding allocations for Tranche 1 bids in March this year. However, it should be noted that the funding requirements are likely to include a commitment to spend during this financial year.

Tranche 2 Submissions

- 3.14 Even in advance of guidance from the DfT on the form and timing of the Strategic Outline Business Case submission for Tranche 2, development work was being progressed by the City Council, in collaboration with Hampshire County Council. The guidance, published on 13 February 2019, sets out the requirements for a draft Strategic Outline Business Case to be submitted by 20 June 2019, followed by a finalised Strategic Outline Business Case by 28 November 2019.

4. Reasons for recommendations

- 4.1 For the Portsmouth City Region, the proposal is to develop the South East Hampshire Rapid Transit (SEHRT) network, building on the success of the existing Eclipse busway, the Star corridor linking Portsmouth to Waterlooville, the Tipner Park and Ride facility and The Hard interchange. The network will provide facilities for bus-based rapid transit on corridors into the city centre from Gosport, Fareham, Waterlooville, Havant and Cosham. Significantly, the proposal also includes improved bus interchange with waterborne and other forms of public transport, including at Gosport ferry terminal, The Hard, Clarence Pier, and at Ryde Esplanade, Isle of Wight.
- 4.2 The work to support the TCF bid comprises the development of infrastructure packages based upon the rapid transit corridors identified in Appendix 1. The purpose of providing a robust basis for the Strategic Outline Business Case submission is essential to understand the present-day costs and risks within the context of the TCF requirement.

- 4.3 The aim is to ensure that rapid transit is easily recognisable to customers, irrespective of whether the location is inside or outside the city boundary and irrespective of the service operator.
- 4.4 Whilst the focus of the work packages will be to identify opportunities for bus rapid transit measures, they will also need to address existing transport issues such as road safety, highway capacity, local bus access, provision for pedestrians, cyclists and local access, as well as future development need.

5. Equality impact assessment (EIA)

- 5.1 An equality impact assessment is not required as the recommendations do not have a disproportionate negative impact on any of the specific protected characteristics as described in the Equality Act 2010 for the following reason:
- The Transforming Cities Fund bid will contain a list of capital schemes. If the bid is successful, a preliminary EIA will be undertaken for each scheme as they are brought forward, with the relevant consultation undertaken as necessary.

6. Head of legal services' comments

- 6.1 The arrangement envisaged within recommendation 2.2 of this report is a project-specific partnership/service level agreement between Portsmouth City Council and Hampshire County Council for the purpose of the joint development and submission within the required timeline of a draft Strategic Outline Business Case and, as appropriate thereafter, a finalised Strategic Outline Business Case for Tranche 2 funding under the Transforming Cities Fund programme.
- 6.2 In broad terms, the agreement will set out:
- the aims and objectives of the project
 - the respective responsibilities of the partners for the work required to deliver the project successfully
 - the respective contributions (financial and staffing/professional resources) that each partner agrees to commit to the project
 - the governance/decision-making arrangements which will apply.
- 6.3 This agreement will complement the existing (and continuing) wider governance arrangements developed in the region for the delivery of the South East Hampshire Rapid Transit proposals.

7. Director of Finance's comments

7.1 The City Council have submitted a bid under tranche 1 of the Transforming Cities Fund Programme to deliver a £2.84m project jointly with Hampshire County Council (HCC).

7.2 The project will be financed as below, this should unlock £2.6m worth from the Transforming Cities Fund.

DfT Contribution	£2.60m
PCC Match Funding	£0.20m
<u>HCC Match Funding</u>	<u>£0.04m</u>
Total	£2.84m

7.3 This funding will be used to deliver three separate schemes as shown below with the majority of the funding being spent on Portsmouth Initiatives.

RTI Portsmouth City Council	£1.3m
RTI Hampshire County Council	£0.4m
<u>MOVA Portsmouth City Council</u>	<u>£0.9m</u>
Total Cost	£2.6m

7.4 The City Council's match funding will be provided by delivering the following schemes funded from the City Council's LTP programme.

2019/20 Low level Cycle Signals	£55,000
2019/20 Traffic Signals Reconfiguration	£20,000
<u>2019/20 RTI</u>	<u>£150,000</u>
Total PCC Contribution	£225,000

7.5 The next tranche of funding will involve the City Council bidding jointly for a share of £1.28bn with Hampshire County Council. The initial step will be for the Council to work collaboratively with HCC to put together an outline business case to be jointly funded between the two parties.

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Signed by:
Tristan Samuels
Director of Regeneration

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: