



## **GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD**

**SUBJECT:** Local Growth Deal (1, 2 and 3) – Six Monthly Transport Progress Update

**DATE:** 13 November 2017

**FROM:** Chief Executive, TfGM

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### **PURPOSE OF REPORT**

This attached report, which was submitted to GMCA on the 29 September 2017, provides an update on the latest position in relation to the Local Growth Deal (1, 2 and 3) Transport Programme.

### **RECOMMENDATIONS**

Members are recommended to:

- (i) Note the position in the attached report in relation to the current Growth Deal Major Schemes programme; Growth Deal Minor works and Additional Priorities programmes.

### **BACKGROUND DOCUMENTS**

Local Growth Deal (1 and 2) – Six Monthly Transport Progress Update 15 May 2017

### **CONTACT OFFICERS**

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Date: 29 September 2017

Subject: GMCA Local Growth Deal (1, 2 and 3) – Six Monthly Transport Progress Update

Report of: Andy Burnham, Mayor of Greater Manchester, Portfolio Lead for Transport, Cllr Sir Richard Leese, Deputy Mayor and Portfolio Lead for Business and Economy and Jon Lamonte, Chief Executive, TfGM

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## PURPOSE OF REPORT

To provide the Combined Authority with an update on the latest position in relation to the Local Growth Deal Transport Programme (Tranches 1, 2 and 3) following on from the last update in March 2017.

## RECOMMENDATIONS:

Members are recommended 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 the current position in relation to the third round of Local Growth Deal funding and the proposed associated governance arrangements in relation to these schemes following acceptance into the Programme in March 2017;
- (iv) approve the addition of the Growth Deal 3 (GD3) transport schemes into the capital programme, noting that the GD3 programme was previously approved at the GMCA meeting in March 2017; and
- (v) note the forecast expenditure for 2017/18 in relation to the Growth Deal 3 schemes is £1.3 million.

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## RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS

Risk Management – see paragraphs 3.3, 3.6, 3.21, 4.3

Legal Considerations – see paragraph N/A

Financial Consequences – Revenue – N/A

Financial Consequences – Capital – see paragraphs 1.1-1.3, 2.2, 4.1-4.4, 6.1-6.8

## BACKGROUND PAPERS:

31 March 2017 GMCA Local Growth Deal (1, 2 and 3) – Six Monthly Transport Progress Update

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:	No	
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?	No	
AGMA Commission	TfGMC	Scrutiny Pool
N/A	N/A	N/A

## **1. INTRODUCTION**

- 1.1 The Local Growth Deal announcements made by Government in July 2014, January 2015 and November 2016 confirmed capital funding for Greater Manchester in relation to a programme of Major Schemes, Minor Works and Additional Priorities. (Growth Deal 1, 2 and 3).
- 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 transport programme.
- 1.3 It also sets out a summary of the recent work undertaken in relation to mobilising the latest round of Growth Deal schemes (Growth Deal 3), including the proposed governance arrangements for these schemes given the reduced level of funding allocation in some cases.

## **2. MAJOR SCHEMES OVERVIEW**

- 2.1 As of August 2017, six schemes have progressed through Full Approval and are now in implementation (either in their entirety or on a phased Full Approval basis); with four schemes having secured Conditional Approval and now working towards the achievement of Full Approval. Two schemes are still to progress through Conditional Approval.
- 2.2 In addition, and in support of both the economic growth objectives of the wider Local Growth Deal Programme and Greater Manchester's residential development and wider socio-economic agenda, work continues with a number of stakeholders in relation to the potential to deliver complementary development in conjunction with the Growth Deal Interchanges schemes. This, when brought together as an overall development package, with other sites in Greater Manchester, has the potential to represent a commercially viable proposition.

## **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. Design and key stakeholder engagement is ongoing. Following a public consultation exercise a planning

application has been submitted to Rochdale Council for the scheme and a decision is expected by the end of 2017. Subject to the granting of planning permission, works are due to commence on site by early 2019.

### **Wigan Gateway A49 Link**

- 3.3 Planning consent for the scheme has been secured and Conditional Approval was granted in late 2015, in line with the agreed Growth Deal governance arrangements. The design development phase of the scheme has subsequently been completed and construction phase procurement has commenced with an Invitation to Tender issued in July 2017. Advanced utility diversions are currently being progressed by Wigan Council in order to mitigate scheme construction risk. Wigan Council and TfGM are also currently working together to develop the final business case submission, which is scheduled to be brought to GMCA for Full Approval in early 2018. Subject to securing all necessary approvals works are due to start on site in spring 2018.

### **Salford Central Station Additional Platforms**

- 3.4 The scheme was granted Conditional Approval in June 2016 in line with the agreed Growth Deal governance arrangements. However, due to operational and timetable challenges, an optimal design solution could not be identified and in September 2016 the GMCA approved a phased approach to delivery in order to maximise the benefits of the scheme. TfGM and Salford City Council continue to work with the rail industry to reassess the scheme to account for longer trains and the potential need for further platform lengthening. TfGM is undertaking a feasibility study to assess the potential to accommodate longer trains, whilst at the same time pressing Network Rail to deliver its CP5 commitments at the earliest opportunity to reduce the stepping distances between trains and platforms 1 and 2. It is anticipated that the feasibility study will be completed by spring 2018 and this will inform a potential way forward.

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

- 3.5 Conditional Approval was granted in June 2016, in line with the agreed Growth Deal governance arrangements.
- 3.6 The delivery arrangements and procurement strategy for the main works have now been agreed. Advanced utility and associated enabling works are being carried out to mitigate the scheme construction risk and are due to be completed by the end of 2017/early 2018. It is intended that, subject to the completion of a successful procurement exercise, a final business case will be submitted to GMCA for Full Approval in early 2018 with the main construction works expected to start in summer 2018.

### **Wigan Gateway M58 Link**

- 3.7 Wigan Council continues to liaise with Highways England and Network Rail in relation to the interfaces between the new scheme and the adjacent motorway and railway networks. These discussions are helping to inform the most effective delivery strategy for the scheme. A planning application was scheduled to be submitted in mid-September 2017 and will be followed by the submission of an initial business case for Gateway Review in autumn 2017.

### **Wigan Bus Station**

- 3.8 Full Approval for the scheme was granted by GMCA in March 2017. Following this approval a package of advanced works were completed which included the creation of temporary bus, waiting, ticketing, information and bus crew facilities in readiness for the start of the construction of the main works.
- 3.9 Following the completion of the advance works the appointment of the main contractor has been made and works commenced on site in late July. Good progress is being made on site with the new facility scheduled to be brought into operational use by the end of 2018.
- 3.10 Alongside scheme delivery, a parallel initiative is being progressed to explore potential development opportunities which might be appropriate for construction adjacent to the core transport infrastructure, potentially in conjunction with the formation of a new pedestrian access.

### **MSIRR Improvements – Great Ancoats Street**

- 3.11 An 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 estimated submission of initial Conditional Approval business case for Gateway Review is scheduled for spring 2018. Full Approval and contract award of a construction contract are scheduled for spring 2019.

### **Stockport Town Centre Access Plan**

- 3.12 The Stockport Town Centre Access Plan (TCAP) 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 The scheme is being delivered in three phases and Full Approval is now in place for all phases of schemes.
- 3.14 All TCAP projects are being delivered under Stockport Council's STaR (Stockport Trafford and Rochdale) Alliance Framework, with the exception of one scheme at Travis Brow. The value and nature of the Travis Brow scheme

required that it be procured through alternative arrangements and this will be awarded through the Highways England Collaborative Delivery Framework in autumn 2017.

- 3.15 Works commenced on site in April 2015 on the overall Programme and to date, 22 works packages have been completed and construction is progressing well on a further 13 works packages. A final set of 13 works packages are currently in development and are still to commence on site. All works packages are due to be completed by the end of 2020.

### **Tameside Interchange (Ashton-under-Lyne)**

- 3.16 Following the undertaking of a comprehensive public consultation exercise in August and September 2015, Planning Consent was granted in February 2016.
- 3.17 Full Business Case Approval for the scheme was granted by the GMCA in early 2017, in line with Growth Deal governance arrangements. Subject to finalising all necessary approvals and consents, construction of the Interchange is currently planned to commence this winter.

### **Stockport Interchange**

- 3.18 Conditional Approval for the scheme was granted in November 2015, in line with the agreed Growth Deal governance arrangements.
- 3.19 A comprehensive joint SMBC/TfGM public consultation exercise on the proposals for both the Interchange and Stockport TCAP Phase Two works was undertaken in November and December 2015.
- 3.20 As previously reported, in conjunction with the work undertaken to develop the design for the Interchange, a parallel initiative is being progressed to explore potential complementary development opportunities which might be appropriate for construction in conjunction with the core transport infrastructure. A number of mixed use options are currently under consideration, in partnership with Stockport Council, and these proposals are being progressed with the aim of submitting a planning application encompassing the interchange and these complementary initiatives during Winter 2017/18.
- 3.21 In order to mitigate project risk a decision was taken to progress the Stockport Interchange Bridge and associated highway works through Stockport Council, as advanced works packages for the main Interchange scheme. Planning Approval for the bridge was granted in October 2016 and the procurement exercise for these works is now at an advanced stage. Full Approval for this element of the overall works was subsequently obtained from GMCA in July 2017 and, subject to finalising all necessary approvals and consents, it is expected that appointments will be made to deliver the bridge and highway schemes in autumn 2017.

## **Salford Bolton Network Improvements**

- 3.22 Conditional Approval for the scheme was granted in February 2016, in line with the agreed Growth Deal governance arrangements. Subsequent to Conditional Approval the programme has been split into a number of Delivery Packages which have been/will be subject to separate Full Approval submissions.
- 3.23 Full Approval for four delivery packages in Bolton has been secured and the schemes namely those at Long Causeway and Raikes Lane have been completed.
- 3.24 Works associated with Bolton's Bus Stop Upgrades and the Loxham Street pinch point scheme are now progressing well on site and these works are due to be completed by early 2018.
- 3.25 Full Approval for Salford's Delivery Package 1 (Walkden and Pendleton) was achieved in April 2017. Works started in June 2017 and are expected to be complete by the end of 2017.
- 3.26 Further approvals for future Delivery Packages will be brought to the Combined Authority in due course.

## **Metrolink Service Improvement Package**

- 3.27 Following the granting of Full Approval for this package of works in summer 2014, all vehicles have now been delivered with the last vehicle brought into operational use in October 2016. With regards to the supporting infrastructure works associated with this package of improvements, the new wheel lathe has now been installed in the Trafford depot and the power upgrades are nearing completion. Work to install a new turnback at Sale will be completed in conjunction with other complementary works across the wider Metrolink network.

## **4. MAJOR SCHEMES – FINANCIAL UPDATE**

- 4.1 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 the GMCA provide ongoing expenditure information in relation to these costs.
- 4.3 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. The agreed arrangements for dealing with these savings and cost overruns are being progressed, as set out in previous reports.

- 4.4 In addition, updates on scheme expenditure are being provided to Government on a regular basis. It should also be noted that there has been a shortfall between monies received and actual expenditure to date. As the grant conditions stipulate that the full annual allocation has to be allocated to capital expenditure each year, this has required funding to be switched to other programmes.

## **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 Mini-Business Cases resting with the GM Transport Strategy Group (TSG) of senior officers.
- 5.4 Progress has been made in taking forward the GD1 and GD2 Minor Works programme. As at the end of August 2017, 37 out of 53 mini - business cases have been submitted for review, with 24 of these having been approved by TSG in line with the agreed Growth Deal governance arrangements. TfGM continue to work with scheme promoters with a view to securing TSG 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 have progressed to delivery stage. The remaining schemes are currently in development and progressing well.

## **6. GROWTH DEAL 3**

- 6.1 Following acceptance and confirmation of the revised Growth Deal 3 schemes within the Local Growth Deal Programme in March 2017 by GMCA, a review of all the prioritised schemes has been undertaken by TfGM, working closely with each of the individual scheme promoters.
- 6.2 This review has included ensuring that the allocated funding, and revised scope, still represent a viable programme and that lessons learned from the first two and half years of the overall Local Growth Deal Programme have been taken into account.
- 6.3 In addition consideration was given as part of the review to the proposed governance arrangements that should be applied to the Growth Deal 3 schemes. While all the Local Growth Deal 3 schemes were originally expected to be major schemes at the time of the original GD3 bid, the reduced funding now means that it is proposed that those schemes with a budget under £5 million will be treated as minor works within and consistent with the GMCA Assurance Framework.
- 6.4 It is intended that the following schemes will continue to be treated as major schemes as they have potential budgetary provision over £5 million:
- A5063 Trafford Road (Salford City Council);
  - M58/M6 Interchange (Wigan Council);
  - Carrington Spur along with any NPIF funded extensions (Trafford);
  - KRN Traffic Control if delivered with any NPIF funded extensions (TfGM) (Under review);
  - Rochdale Northern Gateway Regeneration Initiative along with any NPIF funded extensions and the links to the GD1 scheme (Rochdale); and
  - Oldham Town Centre Regeneration and Connectivity along with any NPIF funded extensions (Oldham).
- 6.5 It is intended that the remainder of the schemes will be subject to Growth Deal minor scheme governance arrangements. These are:
- A572 Leigh Road Improvement (RHS Garden, Worsley);
  - M60 / Western Gateway Enhancements;
  - Stockport Town Centre Structure Enhancements;
  - TfGM Rail Enhancements; and
  - TfGM Bus Passenger Access Enhancements.
- 6.6 The outcome of the review has been discussed with individual scheme promoters and has also been reported to Transport Strategy Group. Work is now progressing with all promoters to move each of the schemes forward in line with the agreed Local Growth Deal Governance arrangements that are already in place for Local Growth Deal 1 and 2 schemes.

- 6.7 In line with Growth Deal 1 Majors governance, eligible capital scheme development and associated costs incurred will be cash flowed by promoters. Upon the approval of the Conditional Business Case, these costs will be reimbursed to promoters from the Combined Authority.
- 6.8 For the Growth Deal minor schemes up to 10% of the GD funding allocation for scheme costs will be reimbursed to promoters from the Combined Authority. Upon approval of the mini - business cases at TSG, all eligible capital costs will be reimbursed.

## **7. RECOMMENDATIONS**

- 7.1 Recommendations are set out at the front of this report.

**Dr Jon Lamonte**

**Chief Executive, TfGM**