

# Greater Manchester Integrated Transport Authority

## REPORT FOR RESOLUTION

**COMMITTEE:** Policy

**DATE:** 24 JULY 2009

**SUBJECT:** GREATER MANCHESTER TRANSPORT FUND – PROPOSED DELIVERY STRATEGY AND FINANCIAL ARRANGEMENTS

**REPORT OF:** THE CLERK AND THE FINANCE OFFICER OF GMITA AND THE CHIEF EXECUTIVE OF GMPTE

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### PURPOSE OF REPORT

This report presents an outline delivery strategy and proposed financial arrangements in support of the Major Transport Scheme Prioritisation and Funding Strategy agreed by AGMA Executive on 12<sup>th</sup> May 2009 and GMITA on 5<sup>th</sup> June 2009.

### RECOMMENDATIONS

Members are recommended to note the work underway to progress the previously agreed transport investment programme and Greater Manchester Transport Fund and, in particular:

- a) to approve the total investment package of £1,512 million, funded from £448 million of Regional Funding Allocation; £165 million grant from the Department for Transport in relation to the SEMMMS road scheme; a £147 million 'top slice' from the Greater Manchester Integrated Transport Block LTP funding over a period of 9 years from 2010/11; up to £775 million from a combination of borrowings, to be undertaken by GMITA, and partly from local/third party contributions (as set out in Section 3 of this report).
- b) to approve in principle the proposals for GMITA borrowings and the proposals for repayment set out in paragraphs 2.8 and 2.9, and that the appropriate borrowing limits be agreed and borrowing consents be secured from DfT.
- c) to agree that GMPTE should proceed with the projects in the accelerated package and with the other public transport projects listed in section 1.3, subject to further approvals being obtained on a project-specific basis, prior to the award of any contract for the implementation of any of the public transport schemes.
- d) to agree that GMITA can borrow up to £38 million for the development of public transport projects in 2009/10 and will incur interest costs of circa £0.2 million which can be met from the existing ITA financing budget for 2009/10.
- e) to agree that the implementation of the investment programme will be monitored by the AGMA Wider Leadership Team, which will report regularly to AGMA Executive Board and GMITA on the status of the Fund and the implementation of the programme.

- f) to agree that the projects within the Fund will be monitored and managed by GMPTE who will receive regular reports from any of the district councils who are incurring expenditure in accordance with the agreed programme and who will report regularly to GMITA and the AGMA Wider Leadership Team.
- g) to agree that the Finance Officer of GMITA will be responsible for managing monies within the Fund, including undertaking any prudential borrowings, and that whilst it is anticipated that funding will in some cases be paid directly to the authority which is responsible for implementing any Fund project, any monies accruing to the Fund which are not paid directly to such authority will be held by GMITA.
- h) to note the ongoing work to identify additional sources of funding for the Fund and request that further reports will be brought forward as appropriate.

## **BACKGROUND DOCUMENTS**

GMITA Emergency Committee 'Major Transport Scheme Prioritisation and Funding Strategy' (5<sup>th</sup> June 2009).

AGMA Executive Committee 'Major Transport Scheme Prioritisation and Funding Strategy' (8<sup>th</sup> May 2009 and 12<sup>th</sup> May 2009).

AGMA Executive Committee 'Prioritising Major Transport Infrastructure Expenditure in Greater Manchester' (27<sup>th</sup> February 2009).

AGMA Executive Committee 'Post TIF Investment and Funding Strategy' (30<sup>th</sup> January 2009).

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## 1. INTRODUCTION/BACKGROUND

- 1.1 The meeting of the GMITA Emergency Committee on 5<sup>th</sup> June 2009 considered the final outcome of the programme of work, which was commissioned in January, to prioritise transport investment proposals in Greater Manchester and to identify funding scenarios to bridge the funding gap between the total cost of priority schemes and the level of funding available through the Regional Funding Allocation and other national transport funding initiatives.
- 1.2 The meeting agreed to establish, jointly with AGMA Executive, a Greater Manchester Transport Fund, incorporating prioritised schemes based on delivering the maximum economic benefit to Greater Manchester, consistent with positive package level social and environmental outcomes. The funding will be generated from a number of sources, including:
- £448 million Regional Funding Allocation;
  - £165 million from the DfT specifically for the SEMMMS road scheme;
  - a £147 million top slice from the Local Transport Plan Integrated Transport Block (LTP ITB); and
  - GMITA Levy contributions and income from third parties and future fare box revenues to fund borrowings of £775 million.
- 1.3 Members agreed with the conclusion of AGMA Executive that the following schemes should be prioritised for delivery:

<i>Accelerated DfT Package</i> Metrolink: Chorlton to East Didsbury Metrolink: Droylsden - Ashton Elements of Cross City Bus Package Park and Ride in Greater Manchester
SEMMMS Scenario*
Mottram Bypass and Glossop Spur*
Leigh-Salford-Manchester Busway
Metrolink: Rochdale Town Centre
Ashton Northern Bypass Stage 2
Wigan IRR
Metrolink : Airport and Second City crossing
Fund contributions to stations
Altrincham Interchange
Bolton interchange
Metrolink: Oldham Town Centre

\* Modelling work ongoing

1.4 Additional priorities awaiting further funding were also confirmed as follows:

Metrolink - Trafford Park
Stockport Interchange
Stockport Town Centre Access Scheme
East Lancashire Railway (Feasibility study ongoing)

1.5 In addition, a range of supporting matters were resolved. In particular, the Clerk to the GMITA and Chief Executive of GMPTE were requested to report back on the programme delivery and financing arrangements for the agreed Fund and investment package. This report is intended to summarise these arrangements for Members' consideration.

## 2. FUNDING & FINANCE

2.1 The Greater Manchester Transport Fund combines the Regional Funding Allocation (RFA) assigned to Greater Manchester with ring fenced contributions from the ITA levy; a ring fenced share of LTP monies; scheme revenues; and existing known third party contributions.

2.2 The capital buying power of approximately £1.5 billion initially identified for the fund is insufficient to deliver all of the schemes identified in AGMA's prioritisation exercise as detailed in Figure 1 below; and the programme set out at 1.3 above is within the current funding envelope. Further work is being undertaken to identify additional funding. The prioritised list of schemes, are set out in the table below.

**Figure 1: The prioritised schemes compared to the current funding envelope.**

Scheme	Cost £m	Cumulative £m
Metrolink: Chorlton to East Didsbury	85	85
Metrolink: Droylsden – Ashton	85	170
Elements of Cross City Bus Package	54	224
Park and Ride	20	244
SEMMMS Scenario <sup>1</sup>	290	534
Mottram Bypass and Glossop Spur <sup>1</sup>	100	634
Leigh-Salford-Manchester Busway	80	714
Rochdale Town Centre Metrolink	33	747
Ashton Northern Bypass Stage <sup>2</sup>	16	763
Wigan IRR	30	793
Airport and 2CC – Metrolink	518	1311
Fund contributions to stations	50	1361
Altrincham Interchange	19	1380
Bolton Interchange	48	1428
Oldham Town Centre Metrolink	84	1512
Metrolink – Trafford Park <sup>2</sup>	317	1829
Stockport Interchange <sup>2</sup>	36	1865
Stockport Town Centre Access Scheme <sup>2</sup>	71	1936
East Lancashire Railway <sup>2,3</sup>	30	1966
<b>Total</b>	<b>1,966</b>	

NOTES:<sup>1</sup> Modelling ongoing<sup>2</sup>, pending the identification of additional funding resources<sup>3</sup> Feasibility study ongoing

- 2.3 The funding arrangements agreed so far would be sufficient to cover all the schemes described above up to the Oldham Town Centre Metrolink scheme.

### Funding Sources

- 2.4 The nominal capital funding, which will be drawn down between 2009 and 2020 is summarised in the table below.

Figure 2: The current funding envelope

Funding Source	£m
RFA	448
LTP	147
DfT contribution to SEMMMs	165
Prudential borrowing, fare box revenue and third party contributions	775
<b>Total</b>	<b>1,535</b>

- 2.5 The remainder of this section provides further detail on each of the funding sources specified above.

### Regional Funding Allocation (RFA)

- 2.6 The residual RFA committed to the Greater Manchester city region was calculated after accounting for funds already allocated to the Rochdale Interchange and Greater Manchester retaining walls schemes as these schemes have already been approved. To fund the accelerated package, DfT has agreed that £124 million of RFA will be brought forward from 2016-2019 to 2009–2012. The accelerated package will use £194 million of RFA leaving £254 million for the remaining schemes.

### Local Transport Plan

Figure 3: The accelerated RFA profile

Year ending March	2010 £m	2011 £m	2012 £m	2013 £m	2014 £m	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m	Total £m
GM RFA	15	21	26	12	14	13	8	103	134	102	<b>448</b>
Residual Accelerated RFA	31	53	41	-	-	-	-	-	-	-	<b>124</b>
RFA brought fwd	-	-	-	-	-	-	-	(38)	(49)	(37)	<b>(124)</b>
New RFA profile	46	74	67	12	14	13	8	65	85	65	<b>448</b>
Accelerated Programme	(46)	(74)	(67)	(8)	-	-	-	-	-	-	<b>(194)</b>
Remaining GM RFA	-	-	-	4	14	13	8	65	85	65	<b>254</b>

- 2.7 The £147 million of ITB LTP monies reserved for the Transport Fund has been profiled such that the impact on minor works programmes of districts and the ITA is phased in over time.

## ***DfT Contribution to SEMMMs***

**Figure 4: The drawdown of LTP monies into the Transport Fund**

<b>Year ending March</b>	<b>2010 £m</b>	<b>2011 £m</b>	<b>2012 £m</b>	<b>2013 £m</b>	<b>2014 £m</b>	<b>2015 £m</b>	<b>2016 £m</b>	<b>2017 £m</b>	<b>2018 £m</b>	<b>2019 £m</b>	<b>Total £m</b>
<b>LTP contribution</b>	-	10	15	15	15	16	17	17	17	25	147

2.8 The timing of the DfT contribution of £165 million to the SEMMMs road scheme is assumed to be available as required during construction and therefore can be used to fund the scheme between 2014 and 2019.

### ***Prudential Borrowing***

2.9 The capital funding requirement will be fulfilled using prudential borrowing, which will be supported through a number of resource streams (ITA Levy, third party contributions and net farebox revenues) that will pay interest, cover MRP and subsequently repay the outstanding principle balance. Debt repayment is targeted for 2045 (less than 30 years after the final scheme is completed) and the average length of time for which debt is expected to be outstanding is 20 years. It is anticipated that the Public Works Loan Board will provide a substantial proportion, of the required prudential borrowing. However, subject to satisfying value for money criteria, other funding sources, including, for example, the European Investment Bank may also be used to maximise benefits and minimise risk.

2.10 The resource streams, which will support the prudential borrowing are detailed below:

- ***Levy Contributions***

The agreed levy contributions commence in 2010/11 and will be equivalent to 3% of the 2009/10 levy. The contributions will increase each year for 6 years until 2015/16 at the rate of 3% of the prior year levy. The levy contributions will continue at the 2015/16 level for the following 30 years, which reflects the 30 year asset lives, as follows

**Figure 5: Annual Levy Contributions**

<b>Year ending March</b>	<b>2010 £m</b>	<b>2011 £m</b>	<b>2012 £m</b>	<b>2013 £m</b>	<b>2014 £m</b>	<b>2015 £m</b>	<b>2016 to 2045 £m</b>
<b>Levy Contribution</b>	-	4.9	10.1	15.6	21.3	27.3	33.6

In line with the request from the AGMA Executive Board on 12 May 2009, the ITA/PTE are reviewing their medium term financial strategy to reduce the requirement for further increases in the levy.

- **Net Revenues**

Net revenues generated by the schemes delivered by the Fund will be available to support the prudential borrowing. In line with current agreed ITA policy; fares are assumed to increase at RPI + 1% year on year. The approval procedures will include updated assessments of scheme revenues to the extent that they are being used to repay prudential borrowings.

- **Resource contribution by Manchester Airport**

The Manchester Airport Group contribution of £50 million is assumed to be received in two £25 million tranches in each of 2011-12 and 2012-13.

### **Potential Further funding sources**

2.11 Work is ongoing to identify and evaluate potential, additional sources of additional funding that could be used to support the programme. The potential, additional funding sources include:

- **Community Infrastructure Levy**

Powers to raise these levies are due to be available from April 2010. They apply to developments within a defined area (e.g. one which has been made significantly more attractive by a scheme delivered by the fund) and would involve a pre determined value (e.g. £x per square meter of new office space above a threshold) for a defined period. The approach is being used in London as part of the funding package for Crossrail, where it is expected to generate at least £300 million (circa 2%) of the total costs of the scheme.

- **S106/enhanced 3rd party contributions**

Third party contributions and contributions through planning processes provide a means of identifying particularly concentrated development gains generated by schemes, and can therefore be complementary to a CIL based approach.

- **Tax Increment Finance**

This is not yet available, but a pilot study was announced as part of the Budget. As with CIL this approach addresses development gain. The approach is designed to allow local authorities to retain a proportion of the increase in business rates that a new local authority-led development generates within their area. The approach is being explored as part of the City Region pilot work.

- **RDA Economic Funding**

There is a strong alignment between the objectives that underpin RDA economic funding and those of the Transport Fund. However, it will be important to ensure that any drawing on economic funding to extend the fund does not bring opportunity costs in terms of development gains forgone. Any case for drawing on economic funding would therefore have to be made on the basis of need (i.e. genuinely incremental investment that could not proceed without economic funding) and on the basis that there would be net gains in

terms of GVA and employment. It is intended to take this forward as part of the work programme under the City Region pilot initiative.

- ***European Funding***

GMPTe is in the process of completing an initial review of potential European funding opportunities that could potentially supplement the funding available from existing sources. This work will be progressed alongside consideration of core regional economic funding.

- ***DfT funding reforms***

DfT is embarking on a 9 to 18 month work programme under its DaSTS (Delivering a Sustainable Transport System) initiative. Whilst this work will primarily address DfT funding strategy beyond 2014, it is also likely to merge with work on strategies for transport funding in the shorter term.

### **3. DELIVERY OF SCHEMES**

#### **Allocation of funding sources to schemes**

3.1 As set out below, GMPTe will act as the delivery body for public transport schemes, with assistance from the district councils as appropriate, in relation to highways matters. It is envisaged that individual councils or the Highways Agency will act as scheme sponsors for the four roads schemes and will have defined budgets for delivering those schemes. Funding within the transport fund will be allocated to schemes on the basis of the following principles:

- Ring fenced funding linked to specific schemes, including specifically the £165 million from DfT for SEMMMs will be used for the scheme in question.
- Road schemes will be funded using a combination of RFA and LTP funding in addition to any ring fenced funding.
- In addition to residual RFA and LTP Funding, Public Transport schemes, will be funded through borrowings, which will be financed and repaid using a combination of GMITA Levy, net fare box revenue and third party contributions.
- RFA will be used to support schemes with business cases which will gain approval through the standard DfT business case approval process.

3.2 The table below shows the projected assignment of funds to specific schemes:

**Figure 5: Projected funding to schemes**

<b>Scheme</b>	<b>RFA £m</b>	<b>LTP £m</b>	<b>DfT £m</b>	<b>Other £m</b>	<b>PB £m</b>	<b>Total £m</b>
ML: Droylsden – Ashton	64	11	-	-	10	85
ML: Chorlton - East Didsbury	64	11	-	-	10	85
Cross City Bus	49	2	-	-	3	54
Park and Ride	18	-	-	-	2	20
SEMMMS	89	24	165	12	-	290
Mottram and Glossop	90	10	-	-	-	100
LSM	-	-	-	-	80	80
ML: Rochdale TC	-	7	-	-	26	33
Ashton Northern Bypass	2	12	-	2	-	16
Wigan Inner Relief Road	25	2	-	3	-	30
ML: Airport and 2CC	-	59	-	-	459	518
Stations	47	-	-	-	3	50
Altrincham Interchange	-	-	-	1	18	19
Bolton Interchange	-	-	-	-	48	48
ML: Oldham town centre	-	9	-	-	75	84
<b>Total Schemes</b>	<b>448</b>	<b>147</b>	<b>165</b>	<b>18</b>	<b>734</b>	<b>1,512</b>

### **Accelerated Package**

3.3 Bringing forward RFA funding by DfT for the accelerated package has enabled fast progress to be made in respect of four schemes. The business cases for the Metrolink lines to Ashton and East Didsbury are going through the DfT approval process and it is planned to finalise the contract for them and for the contractor to commence work in the autumn. GMPTE has also mobilised teams to work on both the Cross City Bus Package and the Park and Ride Schemes with the intention of being able to submit business cases to DfT in the autumn. DfT approval will be required for these schemes. Further details are set out at Appendix 1.

### **Remaining Prioritised Schemes within Transport Fund**

3.4 GMPTE plans to mobilise teams to commence work on all of the public transport schemes during the summer 2009/10 with works being funded largely through borrowings to be financed ultimately through net fare box revenues, Levy contributions and third party funding. Indicative delivery dates will be reported back to the ITA and AGMA in the autumn when further detailed planning and the procurement strategy have been refined. The PTE will be working closely with District officers over the next few months to take this work forward.

- 3.5 DfT approval will be required for all schemes which are receiving DfT funding. The funding allocation above is only provisional and therefore it is not possible to be definitive about schemes which will not require DfT approval, other than the Metrolink extensions to Oldham and Rochdale Town Centres, for which DfT approval is not required, as these schemes will be funded locally.
- 3.6 A business case for the Ashton Northern Bypass scheme has recently been submitted to DfT and this is being evaluated, with the intention of procuring the scheme from 2010.
- 3.7 The delivery timescales for the other three highway schemes will be for determination by the promoting authorities; aligned to the availability of RFA and LTP funding as discussed above. The funding strategy includes provision for £10 million over the next 3 years to be available to support the ongoing development work for these 3 schemes, within their overall budget allocation.
- 3.8 If, as we hope, the implementation of all these schemes can be progressed at a faster rate than we have built into the funding model the additional borrowing costs, so that we have the capacity to deliver. Delivery will also require the support from the DfT about flexibility on forward funding against future RFA provision. These are matters which will remain the subject of discussions with the DfT as part of the pilot City Region discussions and the detailed operation of the Fund.

#### **4. GOVERNANCE ARRANGEMENTS**

- 4.1 It is proposed the AGMA Wider Leadership team will receive regular reports from GMPTE for public transport schemes and from individual district councils and the Highways Agency, as appropriate, for road schemes and from ITA on funding issues including use of prudential borrowings.
- 4.2 Reports on the management of the fund and progress on the projects will be presented to the AGMA executive and GMITA on a quarterly basis. GMITA will be responsible for monitoring the performance of GMPTE on a regular, (at least quarterly) basis in relation to the successful delivery of the public transport schemes. The individual sponsoring councils of the four road schemes will be responsible for ensuring their successful delivery within budget; working in conjunction with the Highways Agency and should provide regular reports on progress to AGMA.
- 4.3 The district councils have charged AGMA executive, jointly with other appropriate statutory bodies with responsibility for developing an integrated transport system for greater Manchester and for overseeing the development and management of actions resulting from the LTP and any other investment programmes agreed by the partners. AGMA executive and GMITA will be jointly responsible for the management of actions resulting from the programme, and it is proposed that the following governance arrangements should be adopted in fulfillment of this duty.

4.4 All material changes to the fund or and the projects within it will initially be signed off by both the ITA and AGMA Executive Board, and AGMA approvals would be in accordance with the voting mechanisms of AGMA Executive Board, which requires a two thirds majority in most cases. The AGMA Executive Board will keep the prioritisation methodology and list of prioritised schemes under review and will, in partnership with GMITA as appropriate:

- monitor the implementation of the agreed schemes;
- monitor the income and expenditure of the Fund; and
- investigate and secure further sources of funding.

## **5. DELIVERY AND INTERNAL GMPTE MANAGEMENT STRATEGY**

5.1 GMPTE will put in place arrangements to ensure that a dedicated Programme Team will provide direction and co-ordination across the Transport Delivery Programme (TDP) for the Public Transport Schemes. The adoption of an integrated team approach across the programme will ensure common systems and processes are implemented which enhance project performance and value, whilst minimising risks and challenges. Programme teams and associated governance arrangements are being put in place, focused on providing a robust internal governance framework and the necessary assurance to both internal and external stakeholders.

### **Programme Management**

5.2 The Programme Team utilised during the Transport Innovation Fund (TIF) submission developed best-practice policies and strategies to ensure GMPTE could successfully deliver such a large and complex programme of work. The Programme Team will utilise and develop this work within the Transport Delivery Programme. A Programme Management Plan is being developed which contains the detailed arrangements for the management of delivery risk, time, cost, quality and safety, governance and communications. At scheme level, Project Management Plans will be developed to detail how each scheme will be delivered.

5.3 The Programme is made up of a number of packages of work with varying but challenging timescales, which requires the rapid mobilisation of a Programme Team which has the necessary level of resource and breadth of expertise to establish an early capability to deliver physical works, while ensuring the governance and assurance requirements are met. The delivery of Metrolink schemes will be managed through the enhancement of the established Delivery Partner with reporting and monitoring through the Programme Team. The remaining public transport schemes will be delivered through the Programme Team with dedicated Project Directors for bus, rail and interchange schemes working in conjunction with the GMPTE Programme Management Services function. The delivery of Road Schemes will be undertaken by the respective Local Authority / Highways Agency.

5.4 Planning approvals, TWA Orders and borrowing consents are either secured or scheduled to be secured without impact to overall schedule. An overview is shown below:

Metrolink: Chorlton to East Didsbury	TWA Order and planning consent are in place. Aim to obtain planning consents for certain detailed matters by 30 October 2009 prior to finalising the design & construction contract.
Metrolink: Droylsden to Ashton	A TWA Order and planning consent is in place. Aim to obtain planning consents for certain detailed matters by 30 October 2009 prior to finalising the design & construction contract
Elements of Cross City Bus Package	No Planning Consent required Traffic Regulation Orders (TROs) for the four elements of the scheme are scheduled to be obtained by June 2010
Park and Ride (Rail Sites)	Planning consents are currently scheduled as being obtained by April 2010 however schedule will need to be reviewed when the scope of the package has been finalised
Park and Ride (Metrolink Sites)	Aim to obtain planning consents by 30 October 2009 prior to finalising the design & construction contract (with exception to Shaw and Crompton as the date is not on the critical path)
Leigh-Salford-Manchester Busway	A TWA Order and planning consent are in place. Detailed planning consents expected to be obtained by March 2011. TRO's for Leigh-Elfenbrook and A580 have lapsed and are expected to be renewed by December 2010 (unlikely to involve full consultation process)
Metrolink: Rochdale Town Centre	Operating powers granted by Act of Parliament and planning consent is in place. Particular planning consents are being progressed for certain detailed matters however scheme could progress in their absence
Metrolink: Airport	TWA Order and planning consent is in place. Particular planning consents are being progressed for certain detailed matters however scheme could progress in their absence
Metrolink: Second City Crossing	TWA Order and planning consents required - dates to be confirmed (schedule currently under development)
Fund Contributions to Stations	Planning Consents expected to be obtained in June - December 2010 (approximate dates - schedule cannot be finalised until scope of package is agreed)
Altrincham Interchange	On the basis of the current schedule, full Planning Consent is expected to be achievable in April 2010 and TRO Consultation in April 2011
Bolton Interchange	Full Planning Consent expected to be obtained in June 2011 and TRO in March 2011 however this is subject to ongoing discussions with Bolton re. accelerating timescales
Metrolink: Oldham Town Centre	Operating powers granted by Act of Parliament and planning consent is in place. Particular planning consents are being progressed for certain detailed matters however scheme could progress in their absence

## **Resources and Organisational Development**

- 5.5 A resource profile has been developed by GMPTE for the programme and delivery teams, based on best practice experience from Metrolink Phase 3A, and the Olympic Delivery Authority. GMPTE has continued to review and challenge its structure and organisational processes with a view to improving effectiveness, and has strengthened its internal governance framework, as well as improved organisational capability and business and project management processes.

## **Risk Management**

- 5.6 GMPTE/ITA has also continued to develop its approach to risk management, which will be an integral part of delivering the Programme and of GMPTE's Programme and Project Management Procedures. The risk management plan will adopt a best practice approach to risk management, in line with the organisation-wide risk management strategy to:

- identify, capture and quantify risks to the successful delivery of the programme, including funding and treasury management risks;
- provide a basis for informed decision making;
- factor risk assessment and management into the development and delivery of all schemes;
- manage and control risks appropriately, reducing them to acceptable levels; and
- safeguard the interests of GMPTE/ITA and its stakeholders.

## **Integration**

- 5.7 An Integration Plan is being developed to ensure that interfaces, synergies and linkages across the schemes are managed effectively and in a systematic way. Experience gained from planning for integration issues across major programmes within GM demonstrates the need for a comprehensive approach to integration issues including:

- consistency in costing, estimating and scheduling;
- co-ordinated approach to utilities diversion, planning approvals and stakeholder engagement;
- synergies from bundling procurement;
- minimising traffic or public disruption from working in the same or adjacent locations;
- sharing best practice across schemes; and
- co-ordination with the day-to-day operational activity of the PTE and other organisations.

## **6. CONCLUSION**

- 6.1 The Greater Manchester Transport Fund, previously agreed by AGMA, provides the framework for a significant and ambitious programme of investment in a range of local transport initiatives that will provide a major contribution to Greater Manchester future economic prospects, whilst contributing positively to wider social and environmental objectives for the City Region.
- 6.2 The delivery, finance and governance arrangements set out in this report will provide a strong, accountable and responsive system to ensure the timely delivery of the programme.
- 6.3 Moreover, the wider investigation of further funding sources will also provide the potential scope for Greater Manchester to secure further identified priorities for investment that lie outside current funding resources.

## **7. RECOMMENDATIONS**

- 7.1 A full set of recommendations is set out on the front sheet of this report.

## **APPENDIX 1 – ACCELERATED PACKAGE**

### ***Accelerated Package: Metrolink - Chorlton to East Didsbury***

The proposed scheme for the Chorlton to East Didsbury extension consists of 4.4km of new segregated track and five new stops connecting Chorlton, Didsbury Village and East Didsbury. The scheme requires an additional three Light Rail Vehicles (LRVs). The scheme formed part of the Phase 3 extensions which originally received approval for funding in 2002 before encountering funding challenges. Further to this, the scheme was granted Programme Entry status by the DfT in June 2008 and was submitted for Conditional Approval in October 2008 as part of the TIF bid. A revised business case was submitted to DfT for Conditional Approval as part of the accelerated package in June 2009 and feedback on approval is expected in August, with Full Approval targeted in October to enable contract award in November. Planning powers for the line were granted in 2003 through the Parliamentary Bill process that preceded the Transport and Works Act.

The current outline planning consent for the stops expired in January 2008, but will be reapplied for and no problems are anticipated, based on experience elsewhere on the network. All other aspects of the works are covered under the general development order associated with the Acts. The contract for Phase 3a includes provisions for the scheme to be procured as a variation to the existing contract for the Design, Construction, and Maintenance (DCM) of Phase 3a and construction could therefore start in late 2009, with completion by 2013.

### ***Accelerated Package: Metrolink - Droylsden to Ashton***

The proposed scheme for the Droylsden to Ashton extension consists of 3.8 km of new track, part on street and part segregated, with four new stops and connects the town centres of Droylsden and Ashton. The scheme requires an additional three LRVs. As is the case for the East Didsbury extension, this scheme also formed part of the original Phase 3 approvals in 2002, and received Programme Entry status under TIF in 2008, and has been submitted to DfT for Conditional Approval as part of the accelerated package in June 2009 with feedback on approval expected in August, and Full Approval targeted in October to enable contract award in November.

All sections of the extension have received legal powers under the Transport and Works Act following a Public Inquiry. The planning consents granted have been implemented and the CPO powers for acquisition of property have been exercised. As is the case with the East Didsbury extension, there are provisions for the scheme to be procured as a variation to the existing Phase 3a DCM contract. Construction could therefore start in late 2009, with completion by 2013.

### ***Accelerated Package: Cross City Bus Package***

This proposal consists of providing direct linkage from the two bus corridors to the north and west of Manchester City Centre to serve the Universities and hospitals on Oxford Road. It contains the best performing elements of the TIF Cross City Bus Package that was submitted for Programme Entry in October 2008 and was anticipated to receive Programme Entry status by March 2009. It is anticipated that GMPTe will project manage and deliver this scheme utilising Local Authority resources and contractors.

No significant planning consents and / or land acquisition requirements have been identified as a result of the schematic designs proposed, however, consultation is required relating to new Traffic Regulation Orders. Further scheme development and refinement of costs and appraisal are currently underway, with a view to submitting a business case to DfT for Conditional Approval in Autumn 2009.

***Accelerated Package: Park & Ride***

The Programme includes £20 million for the delivery of a number of Rail and Metrolink Park and Ride sites. The May paper to the AGMA Executive included an indicative list of the most deliverable in the timescales of the accelerated package. This list is currently being evaluated with local authority officers to determine the sites which should be taken forward as priorities. It is expected that this exercise will be completed in early August. Further work will then be required to develop the scheme details, cost estimates and business cases for submission in Autumn 2009.