

**DATE:** 26 October 2012

**SUBJECT:** Greater Manchester Transport Fund & Capital Programme  
Monitoring Update

**REPORT OF:** Chief Executive, Transport for Greater Manchester

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### **PURPOSE OF REPORT**

To present an update in relation to the Greater Manchester Transport Fund (GMTF) and other strategic public transport schemes.

### **RECOMMENDATIONS**

The Combined Authority is requested to:

- (i) Note the contents of the report, including in particular the scheme funding and financing strategy set out in sections 3 and 4;
- (ii) Approve, the commitment of expenditure of up to £16 million, relating to the Metrolink works at Victoria station, as included within GMCA's approved capital programme, which will be funded from a combination of borrowings and ERDF funding, subject to the outcome of the ERDF submission referred to in section 2.
- (iii) Approve the release of £19.344 million from the Greater Manchester Transport Fund, as included in GMCA's approved capital programme, including borrowings of £18 million and £1.344 million of local contributions in order to commit expenditure in relation to the delivery of the Altrincham Interchange scheme.
- (iv) Approve the release of £4.3 million from the Greater Manchester Transport Fund, as included in GMCA's approved capital programme to instruct works, and associated land and other costs in relation to the Bolton Town Centre Strategy scheme.
- (v) Approve the release of £34.6 million of borrowings from the Greater Manchester Transport Fund, as included in GMCA's approved capital

programme, in order to commit expenditure in relation to the delivery of the Leigh Salford Manchester Busway scheme.

- (vi) Approve that the additional expenditure of £2.16 million on Preparation Costs in 2012/13, in relation to the SEMMMS road scheme is funded from the local, Integrated Transport Block (ITB) Local Transport Plan (LTP) funds within the Transport Fund as set out in the table at section 4.

## **BACKGROUND DOCUMENTS**

Report to Greater Manchester Combined Authority 'Park & Ride Funding Strategy'; 28 September 2012.

Report to Greater Manchester Combined Authority 'Smart Ticketing Operations and Benefits'; 28 September 2012.

Report to Greater Manchester Combined Authority: Capital Expenditure Outturn Monitoring Report 2011/12; 27 July 2012.

Report to Greater Manchester Combined Authority: City Deal: Future Transport Prioritisation; 29 June 2012.

Report to Greater Manchester Combined Authority: Capital Expenditure Outturn Monitoring Report 2011/12; 29 June 2012.

Report to Greater Manchester Combined Authority: 'Metrolink Fleet Renewal Strategy'; 29 June 2012-Part B.

Report to Greater Manchester Combined Authority: 'Capital Programme 2012/13-2014/15'; 24 February 2012.

Report to Greater Manchester Combined Authority: 'Greater Manchester Transport Fund Update'; 27 January 2012.

Report to Greater Manchester Combined Authority: 'Capital Expenditure Monitoring Report 2011/12'; 28 October 2011.

Report to Greater Manchester Combined Authority: 'Metrolink Fleet Renewal Strategy'; 30 September 2011-Part B.

Report to GMCA: Greater Manchester Transport Fund Update and Capital Programme Monitoring Report – 29 July 2011.

Report to GMCA: 'Integration of Metrolink Airport extension and SEMMMS Road Scheme'-27 May 2011.

Report to GMCA: 'Capital Programme 2011/12 to 2013/14'-1 April 2011.

Report to GMCA: 'Treasury Management Strategy Statement & Borrowing Limits and Annual Investment Strategy 2011- 12' – 1 April 2011.

Report to AGMA Executive Board: 'Greater Manchester Transport Fund-Metrolink Phase 3B Delivery Programme and Financial Strategy Update'-30 July 2010.

Report to AGMA Executive Board: 'Greater Manchester Transport Fund Update'-25 June 2010.

Report to AGMA Executive Board: 'Greater Manchester Transport Fund Delivery Programme Update'-27 November 2009.

Report to AGMA Executive Board: 'Greater Manchester Transport Fund - Accelerated Package Update'-25 September 2009.

Report to AGMA Executive Board: 'Greater Manchester Transport Fund – Proposed Delivery Strategy and Financial Arrangements'-31 July 2009.

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## **1 Background**

- 1.1 At its meeting on 12 May 2009, the AGMA Executive agreed to establish a Greater Manchester Transport Fund (GMTF), incorporating prioritised schemes based on delivering the maximum economic benefit (GVA) to Greater Manchester, consistent with positive package level social and environmental outcomes.
- 1.2 The Executive agreed that schemes should be prioritised for delivery, in addition to the Metrolink Phase 3a extensions that were previously approved by AGMA in 2008.
- 1.3 A number of updates on progress have been reported to the Combined Authority in the period since May 2009. In addition, an update on the financial strategy was reported in January 2012; and a report on the “City Deal: Future Transport Prioritisation” was presented in June 2012.
- 1.4 This report provides an update on scheme delivery; the financial strategy; and the future transport prioritisation; and also provides an update on the overall capital programme outturn compared to the Capital Programme 2012/13-2014/15 which was approved by the Combined Authority in February 2012.

## **2 Scheme updates**

### **Metrolink Phase 3a**

- 2.1 The South Manchester line is a 1.7 mile (2.7km) conversion of a previously disused railway corridor from Trafford Bar to St. Werburgh’s Road. This line opened on 7 June 2011.
- 2.2 The East Manchester line is a 3.9 miles (6.3km) section to Droylsden running from the existing Metrolink stop at Manchester Piccadilly via the Etihad Stadium and the Velodrome.
- 2.3 The construction of outbound and inbound tracks between Manchester Piccadilly and Droylsden is now complete. The overhead line is now energised between Manchester Piccadilly and Droylsden and initial infrastructure tests are complete. The Tram Management System (TMS) is currently being installed and testing is due to commence shortly.

- 2.4 The extensions to Oldham and Rochdale are being delivered in phases; a line to Oldham Mumps via Central Park; and the continuation of the line to Rochdale Railway Station. This includes the conversion of 14 miles (22.5km) of old railway line for Metrolink use. The line was opened to Oldham Mumps on 13 June 2012.
- 2.5 The expenditure on Metrolink Phase 3a in the period to 30 September 2012 was £24.1 million; and the forecast expenditure for 2012/13 is £58.6 million.

### **Metrolink Phase 3b**

#### ***East Manchester Line - Droylsden to Ashton***

- 2.6 The scheme comprises of a 2.4 mile (3.8km) extension from Droylsden to Ashton.
- 2.7 Good progress is being made on the section of line to Ashton with construction continuing on drainage, track, tram stops and highway works.

#### ***South Manchester Line - Chorlton to East Didsbury***

- 2.8 The scheme comprises of a 2.8 mile (4.4km) extension from Chorlton to East Didsbury.
- 2.9 All stops are now constructed and are on programme to be fitted out with equipment including shelters and passenger information displays. Work on the overhead line has commenced and will continue during autumn 2012.

#### **Oldham Rochdale Line to Oldham and Rochdale Town Centres**

- 2.10 The scheme comprises of a 1.5 mile (2.4km) extension into Oldham Town Centre; and a 0.7 mile (1.1km) extension into Rochdale Town Centre.
- 2.11 Major construction works are ongoing and regular meetings are taking place with key stakeholders to ensure the effective integration of the Metrolink works with other works and with traffic management.

***Airport Line***

- 2.12 The scheme comprises 9 miles (14.5km) connecting the Regional Centre to Manchester Airport.
- 2.13 Major utility diversion works are continuing along the route and detailed traffic management plans are in place to minimise the impact on traffic flows.
- 2.14 Construction work, including on the Mersey Valley crossing and the bridges across the M60 and M56, is progressing well.

***Interface Works***

- 2.15 Road, and associated utilities works which interface with the Metrolink extension close to Manchester Airport were approved by GMCA in January 2012. The works are being funded from £17.9 million of borrowings and £6.6 million of LTP funding.

***Second City Crossing (2CC)***

- 2.16 The ITA Capital Projects Committee confirmed at its meeting on 18 September 2009 that Cross Street should be the alignment for the Second City Crossing and subsequent work undertaken jointly with MCC revised the southern end of the alignment to run through St Peter's Square, and down Princess Street, avoiding Mount Street and Albert Square. These proposals, which will integrate with the MCC proposals for St Peter's Square, were confirmed by the MCC Executive on 16 March 2011; and by the TfGMC Policy and Resources Committee on 18 March 2011.
- 2.17 The Metrolink Second City Crossing (2CC) is key to delivering the Metrolink extensions currently under construction, by enabling an increase in operational capacity in the city centre to run more tram services and deliver improvements in the reliability of all Metrolink services.
- 2.18 In July 2012, the Combined Authority approved capital expenditure from the Greater Manchester Transport Fund, to progress, utilities site investigation and design work, up to a value of £2.1 million; and other additional advance

works and associated project and programme costs, up to a value of £8 million to progress the Metrolink Second City Crossing scheme.

- 2.19 The Transport and Works Act Order (TWAO) application for the scheme was made on 17 May 2012. A total of 14 objections were received within the statutory period, one of which has since been withdrawn. One representation and one letter of support were also received. The public inquiry into the scheme is anticipated to commence in 2013.
- 2.20 TfGM is continuing to work closely with MCC on the works in St Peter's Square; and work is also continuing to determine the requirements at the Manchester Victoria and Deansgate Castlefield Metrolink stops, which are just beyond the 2CC TWAO.
- 2.21 The proposals for Manchester Victoria include additional tram track capacity and associated passenger facilities at the interchange to accommodate the forecast demand and to improve reliability and connectivity at Victoria.
- 2.22 TfGM submitted a Stage 1 Outline Application for ERDF funding to the Department for Communities and Local Government (CLG) on 20 August 2012 for a project to support the Metrolink works at Victoria.
- 2.23 In early September 2012, CLG advised that the outline submission was being progressed; and a Stage 2 Full Application was therefore submitted on 2 October 2012. Notification on the outcome of the Full Application is anticipated this autumn.
- 2.24 Approval is sought for the commitment of expenditure of up to £16 million, relating to the Metrolink works at Victoria station, as included within GMCA's approved capital programme, which will be funded from a combination of borrowings and ERDF funding, subject to the outcome of the ERDF submission referred to above.
- 2.25 The expenditure on Metrolink Phase 3b in the period to 30 September 2012 was £98.6 million; and the forecast expenditure for 2012/13 is £271.5 million.

### ***Tram Replacement Programme***

- 2.26 The Combined Authority approved the proposals for the replacement of 12 of the original fleet of 32 T68 trams in September 2011; and subsequently approved the proposals to replace the remaining 20 T68 trams in June 2012 at a total net forecast cost of £78 million. The trams have been ordered and are expected to be delivered by 2015.

### **Interchanges**

#### ***Altrincham***

- 2.27 TfGM is working with Trafford Council, Network Rail, and a number of other key stakeholders to design and implement a significant package of improvements at the existing Altrincham Interchange facility, including the construction of a new bus interchange; improvements to the rail / light rail passenger environment; the provision of a cycle centre; and the construction of a new accessible pedestrian footbridge and associated lifts. These improvements will facilitate enhanced access for bus, rail and Metrolink passengers and will strengthen connectivity to, and within, Altrincham town centre.
- 2.28 It is currently anticipated that a contractor will be appointed in winter 2012/13. Approval is sought for the release of £19.344 million from the Greater Manchester Transport Fund, as included in GMCA's approved capital programme, including borrowings of £18 million and £1.344 million of local contributions in order to commit expenditure in relation to the delivery of the scheme.
- 2.29 The expenditure in the period to 30 September 2012 was £0.5 million; and the forecast expenditure for 2012/13 is £1.8 million.

### ***Bolton Town Centre Strategy***

- 2.30 The project is being developed in conjunction with Bolton Council and involves the relocation of the existing bus station from Moor Lane to a new site adjacent to Bolton Rail Station and incorporates a direct, wholly enclosed, pedestrian footbridge between the two facilities.



- 2.31 The CPO Public Inquiry commenced on Tuesday 10th July 2012 and closed on Wednesday 11th July 2012. Following the Public Inquiry, the Secretary of State confirmed on 4 September 2012 that, on the basis of the Planning Inspector's recommendation, the Order can be confirmed. This provides Bolton Council with the necessary powers to compulsorily acquire the land required to deliver the scheme should negotiations to acquire not be successful.
- 2.32 The design of the project is continuing to be developed in conjunction with key stakeholders and subject to achieving the necessary technical and statutory approvals, it is anticipated that the main works for the scheme will commence during 2013 and will be completed by 2015.
- 2.33 Approval is sought for the release of up to £4.1 million this financial year from the Greater Manchester Transport Fund, as included in GMCA's approved capital programme to instruct these works, and the associated land, project and programme costs, including appropriate risk and contingency allowances, as included in GMCA's approved capital programme.
- 2.34 The expenditure in the period to 30 September 2012 was £1.3 million; and the forecast expenditure for 2012/13 is £5.4 million.

## **Bus Schemes**

### ***Leigh Salford Manchester (LSM) Busway***

- 2.35 The LSM Busway scheme provides three core sections of bus priority infrastructure and associated park and ride facilities that will improve bus reliability and journey times. These core sections will complement the Cross City Bus package and will facilitate the enhancement of Leigh Salford bus services by including; an off highway guided section which will run from the outskirts of Leigh town centre to Ellenbrook; on highway bus priority measures along the A580 from Ellenbrook to the M60 Boothstown; and on highway bus priority measures linking Wigan to the guided section of the busway at Tyldesley.
- 2.36 The procurement process for the appointment of the contractor for the guided section of the Busway has continued. An Invitation to Tender (ITT) was issued to four shortlisted contractors in May 2012, with returns being received from three contractors in August. These submissions have been subject to an initial assessment and evaluation.

- 2.37 Site investigation work has been carried out along the guided section of the corridor and the results of this work will now be used to inform the procurement process.
- 2.38 It is currently anticipated that a design and build contractor will be appointed in winter 2012/13.
- 2.39 Approval is sought for the release of £34.6 million of borrowings from the Greater Manchester Transport Fund, as included in GMCA's approved capital programme, in order to commit expenditure in relation to the delivery of the scheme.
- 2.40 Work is also being undertaken to develop the operational model for the new Busway services. A market sounding exercise was completed in summer 2012. This involved interviews with individual operators in Greater Manchester and dialogue with the Greater Manchester Bus Operators Association. (GMBOA) Following the completion of this exercise, an OJEU notice was issued in August for the provision of Bus services relating to the Busway.
- 2.41 18 expressions of interest in the procurement were received; six suppliers submitted Pre-Qualification returns; and four suppliers are being progressed to the next stage of the procurement process.
- 2.42 Subject to the satisfactory completion of all infrastructure and operational workstreams, the Busway services are scheduled to commence in early 2015.
- 2.43 The expenditure in the period to 30 September 2012 was £1.0 million; and the forecast expenditure for 2012/13 is £5.4 million.

### ***Cross City Bus Package***

- 2.44 The Cross City Bus Package involves the development of bus priority measures along four separate corridors:
- the A580 East Lancashire Road in Salford;
  - the A664 Rochdale Road in Manchester and Rochdale;
  - the Oxford Road Corridor in Manchester; and
  - the Regional Centre, in Manchester.
- 2.45 The Cross City Bus Package will link areas of social deprivation to the North and West of Manchester with key areas of employment, education and

healthcare opportunities within the City Centre, along the Oxford Road Corridor and also in the Chapel Street area of Salford.

- 2.46 The majority of the work involved in delivering the Cross City Bus Package relates to works on highways. These works will be delivered by the local Highways Authorities in Manchester, Salford, Rochdale and Wigan.
- 2.47 In order to facilitate these works, delivery agreements will be established between GMCA, the Local Authority and TfGM. The Local Authority will appoint TfGM as its Delivery Agent to manage the works. GMCA will provide grant funding to the Local Authority for the highway works (excluding traffic signals) and pay the Local Authority as its agent for the installation of traffic signals.
- 2.48 Since July 2012 work has progressed with the four local authorities: Manchester City Council; Rochdale Council; Wigan and Salford City Council, to further develop the scheme proposals and delivery agreements. This has included further developing the designs for each corridor, taking into account a range of interfaces with other proposals, meeting with key stakeholders, commencing public consultation and progressing with the work necessary to secure powers and consents.
- 2.49 The appointment of a contractor for the A580 between Frederick Road and Old Clough Lane in Salford is anticipated to take place in winter 2012/13. The total forecast cost of £11.2 million is being funded from the DfT grant of £32 million, as included in GMCA's approved capital programme.
- 2.50 The design of the remaining work on the A580 is being developed and will be delivered once the works to Old Clough Lane have been completed. Site investigation works to help inform the design of this section of the A580 are due to be progressed in autumn 2012; and all the works on the A580 are expected to be completed during 2014.
- 2.51 The Regional Centre scheme design has been progressed by Manchester City Council working closely with key stakeholders. Initial Consultation meetings have recently been held with the Bus Operators, and other key external stakeholders will be consulted before the end of the year, prior to full Public Consultation for the scheme in early 2013.
- 2.52 Public consultation on the A664 Rochdale Road proposals within Manchester is taking place in October 2012, finishing on 29th October. The proposals within the Rochdale MBC area are subject to review and work has started to develop a revised set of proposals for discussion with Rochdale Council.

- 2.53 Subject to securing all of the necessary powers and consents, it is anticipated that the Cross City Bus Package will be completed and brought into full operational use during 2015.
- 2.54 The expenditure in the period to 30 September 2012 was £0.7 million; and the forecast expenditure for 2012/13 is £4.7 million.

### **Park & Ride**

- 2.55 A number of Park and Ride sites are being delivered as part of the Metrolink Phase 3A and Phase 3B extensions. Funding for these sites is included within the overall funding package for the extensions. Development and delivery of these sites is committed and underway.
- 2.56 The Park and Ride sites included within the Greater Manchester Transport Fund programme, are set out below

### **Greater Manchester Transport Fund Park and Ride Sites**

<b>Metrolink Sites</b>	<b>District</b>	<b>Rail Sites</b>	<b>District</b>
Prestwich	Bury	Horwich Parkway	Bolton
Radcliffe	Bury	Irlam	Salford
Whitefield	Bury	Hazel Grove	Stockport
East Didsbury	Manchester	Cheadle Hulme	Stockport
Derker	Oldham	Guide Bridge	Tameside
Hollinwood	Oldham	Flixton	Trafford
Oldham Mumps	Oldham	Hindley	Wigan
Shaw & Crompton	Oldham		
Rochdale	Rochdale		
Dane Road	Trafford		

- 2.57 Funding for the Park and Rides sites within the GMTF of approximately £8.5 million was received from DfT during 2009/10 and 2010/11; and £2 million was allocated from LTP funds.
- 2.58 Following the Comprehensive Spending Review in late October 2010, DfT advised that no further central government funding would be available for this programme in the period to 1 April 2015. As a result, a review of the development and funding options for the Park and Ride package was undertaken.

- 2.59 The Capital Programme and Treasury Management report approved by the CA in April 2011 allowed for all of the required borrowings to deliver the Metrolink and LSM Park and Ride schemes in the GMTF and noted that funding sources would need to be identified for the remaining rail related Park and Ride sites at Horwich Parkway, Irlam, Hazel Grove, Cheadle Hulme, Guide Bridge, Flixton and Hindley.
- 2.60 Alternative funding has been secured for the Rail sites at Cheadle Hulme and Guide Bridge from a combination of Rail Industry funds and the Station Commercial Project Facility (SCPF).
- 2.61 The funding strategy for the remaining Rail Park and Ride sites was agreed at the Combined Authority meeting on 28 September 2012.
- 2.62 The expenditure in the period to 30 September 2012 was £2.0 million; and the forecast expenditure for 2012/13 is £4.7 million.

#### **Contributions to Rail Stations**

- 2.63 The Transport Fund approved in May 2009 included a £50 million contribution to make improvements at rail stations in Greater Manchester.
- 2.64 This contribution was not included in the DfT's Development Pool of Schemes following the Comprehensive Spending Review; and work is continuing with rail industry partners to identify funding opportunities for the delivery of the rail station improvements across Greater Manchester.
- 2.65 Opportunities include the opportunity to encourage future franchise bidders to include station developments in their plans; and in the case of larger stations, inclusion of station plans in larger schemes and programmes.
- 2.66 The Strategic Rail Priorities for 2014-19 includes making the case to the rail industry and government for the establishment of a substantial fund to be established as part of the rail industry settlement for 2014-19 for relatively small schemes at stations and other rail facilities.
- 2.67 In addition, smaller scale schemes including the development of the Rail Station Improvement Strategy (RSIS) will continue to be progressed.

## Road Schemes

### *SEMMMS*

- 2.68 The SEMMMS A6 to Manchester Airport Relief Road is part of a package of measures, originally proposed as part of the South East Manchester Multi-modal Study (SEMMMS) to relieve local communities from the impact of heavy traffic and improve access to the Airport.
- 2.69 The SEMMMS road scheme was not included in the DfT's Development Pool of Schemes following the 2010 Comprehensive Spending Review (CSR 2010); however, the Chancellor of the Exchequer announced, in the 2011 Autumn Statement, that £165 million of the DfT funding originally set aside for the delivery of SEMMMS was being made available, potentially to an accelerated timetable, subject to funding solutions being identified for the balance of the £290 million required to deliver the scheme.
- 2.70 Agreement has been reached, in principle, with Central Government in relation to the Earn Back Model, as part of Greater Manchester's Deal for Cities submission; and work has commenced with Central Government officials to determine the details of the formula, under which Greater Manchester will be able to earn back local contributions made towards the Greater Manchester Transport Fund (GMTF).
- 2.71 The Earn Back model builds on the GMTF approach of increasing self-sufficiency in delivering infrastructure investment. The model uses a formula, linked to changes in rateable values over time, at the Greater Manchester level, to provide a revenue stream to Greater Manchester over 30 years, if additional GVA (measured in changes in rateable values) is created relative to a 2015 baseline. Earn Back therefore, provides an additional incentive for Greater Manchester to prioritise local government spending to maximise GVA growth.
- 2.72 The Earn Back principles suggest that up to £500 million could be available by 2020; and on a second iteration of the formula up to a further £700 million could be available thereafter. Critically, the Earn Back model is constrained by the level of borrowing that can be secured, which is in turn determined by certainty of the revenues that investment schemes offer.

- 2.73 In addition to buying power generated under the Earn Back formula, Greater Manchester is expected to benefit from devolved DfT major scheme funding. This is currently expected to be worth £80 to £100 million by 2020 (approx. £15 to £20 million per annum) and a further £80 to £100 million by 2025.
- 2.74 Discussions are ongoing with central government officials to finalise the details of the Earn Back formula.
- 2.75 The Combined Authority agreed, in June 2012, that prioritised further scheme development should be undertaken on the SEMMMS (and Trafford Park Metrolink initiatives in parallel), reflecting their relatively advanced nature, strong funding/revenue offer and their well-articulated economic potential.
- 2.76 The SEMMMS (A6 to Manchester Airport Relief Road) is an established priority for GMTF, which would have been more advanced by now but for the interruption caused by CSR 2010, as referred to above. The scheme offers significant congestion relief benefits to the south of the conurbation and around the Airport City Local Enterprise Zone (LEZ) as well as a specific central government funding commitment of £165 million, provided that match funding can be identified to fund the overall scheme.
- 2.77 The latest cost projections indicate that the scheme, excluding the interface works referred to at paragraph 2.15, would require approximately £105 million of funding from the Earn Back model in addition to the DfT funding of £165 million and £20 million of LTP funding.
- 2.78 It is currently anticipated that a business case for the SEMMMS scheme will be submitted to DfT before the end of 2012. Approval of the business case by the DfT will be subject to final agreement of the Earn Back formula.
- 2.79 In May 2011, GMCA approved expenditure of £3.3 million related to Stockport MBC (SMBC) Preparation Costs. As at 31 March 2012, Stockport had incurred, claimed, and been reimbursed for £2.95 million of the £3.3 million of approved costs.
- 2.80 Additional expenditure on Preparation Costs in 2012/13, including in relation to supporting the development of the business case and other works in advance of procurement and public consultation, is forecast to be £2.16 million. It is proposed that this is funded from the local, Integrated Transport

Block (ITB) Local Transport Plan (LTP) funds within the Transport Fund. The tables in sections 3 and 4 have been adjusted accordingly.

***Longdendale Integrated Transport Strategy***

- 2.81 Following the March 2009 withdrawal by the Highways Agency from the adjourned Mottram-Tintwistle bypass Public Inquiry, Tameside proposed the development of an integrated transport strategy for Longdendale. This area suffers from severe congestion problems caused by traffic travelling between the M67, Glossop and Sheffield. An integrated transport strategy would include a broad package of measures, such as improved public transport provision, walking and cycling, though the strategy is likely to rely on the construction of a local bypass to relieve the congestion before the other measures could flourish and reach their full potential.
- 2.82 The funding for the Longdendale Integrated Transport Strategy scheme approved by AGMA in May 2009 included a combination of DfT and local resources.
- 2.83 Following the Comprehensive Spending Review, no Major Transport Schemes Funding is available from central government for this scheme prior to 1 April 2015. Funding sources are being sought (including Central Government Major Schemes Funding for the period after 1 April 2015) to develop an integrated transport solution to the traffic and associated environmental issues in this area.
- 2.84 Following the publication of the Government's response to the Local Government Resource Review (LGRR) consultation; and in the context of the Deals for Cities agenda, the funding solutions for this and other unfunded GMTF schemes are being explored with Treasury, DCLG and DfT.
- 2.85 An economic study is proposed to fully understand the economic role of the whole east west transport corridor to determine the potential economic impact and hence increased GVA of improved journey times, reliability, accessibility and amenity impacts on local settlements and communities including, within the wider context of the study, the provision of an improved Transpennine link.



### ***Ashton Northern Bypass***

- 2.86 This is the second stage of a scheme to provide a bypass for the town centre of Ashton-under-Lyne. It will remove traffic from the town centre, and will create a more attractive environment for shopping, visiting and working. The scheme opened, as scheduled, in January 2012.

### ***Wigan Relief Road***

- 2.87 The funding for the Wigan Relief Road approved by AGMA in May 2009 included a combination of DfT and local resources.
- 2.88 Following the Comprehensive Spending Review no Major Transport Schemes funding is available from central government for this scheme prior to 1 April 2015. Funding sources are being sought to develop the scheme including Central Government Major Schemes Funding for the period after 1 April 2015.
- 2.89 Following the publication of the Government's response to the Local Government Resource Review (LGRR) consultation; and in the context of the Deals for Cities agenda, the funding solutions for this and other unfunded GMTF schemes are being explored with Treasury, DCLG and DfT.
- 2.90 Wigan Council has undertaken strategic assessment work to determine its transport priorities in alignment with future development and opportunities for economic growth as set out by the GMCA.
- 2.91 Schemes proposed will deliver transformational change in providing a strategic gateway for enhanced access and connectivity to the town centre from the motorway network and major improvement in public transport interchange. The proposals include relief road schemes: the A49 Link Road (which also facilitates the development of the Westwood Park site) and the M6 junction 26 to A571 link road (which also connects to the M58); and, the Wigan Transport Hub. Options are currently being considered for the Hub which could provide enhanced interchange and connections between the two town centre rail stations, the bus station, and the cycle storage hub (LSTF key component) and will maximise Wigan's strategic rail connectivity.

- 2.92 The combined delivery of these interventions will offer significant opportunities for congestion relief, sustainable community benefits and wider economic and physical regeneration of the wider town.

### **Other GMTF Prioritised Schemes**

- 2.93 At the time that the delivery priorities for the GMTF were established, additional priorities awaiting further funding were also confirmed as follows:

- Metrolink: Trafford Park
- Stockport Interchange
- Stockport Town Centre Access Scheme
- East Lancashire / West Rochdale Area Study

- 2.94 Following the publication of the Government's response to the Local Government Resource Review (LGRR) consultation; and in the context of the Deals for Cities agenda, the funding solutions for this and other unfunded GMTF schemes are being explored with Treasury, DCLG and DfT.

### ***Metrolink Trafford Park***

- 2.95 As reported to the Combined Authority in June 2012, the Trafford Park Metrolink extension has been a long-standing Greater Manchester investment priority; and was identified as an "accelerated scheme" in that report.

- 2.96 This scheme would extend Metrolink as far as the Trafford Centre (note: any future potential to extend onward to Port Salford would be the subject of a separate costing and business case development exercise). It has been extensively redesigned since the original GMTF prioritisation, when it was a relatively poor performer in terms of GVA per £ of net cost to GM. This redesign has substantially increased the forecast GVA benefits of the scheme and reduced its net costs to Greater Manchester. It offers a step-change in public transport connectivity to the largest concentration of employment in Greater Manchester outside the Regional Centre, with over 1,300 businesses and 33,000 jobs located in Trafford Park and significant future growth forecast, including new media industry developments already underway in the Trafford Wharfside area. There are also potentially significant third party contributions through Trafford MBC Section 106 processes.

- 2.97 The GVA potential of the scheme per £ of net cost to the Fund has improved significantly with estimated employment and GVA benefits of over 3,000 jobs and gross GVA in the region of £200 million p.a. (in 2006 prices). In addition, the scheme will also offer a direct future revenue stream through its fare-box.
- 2.98 Preparation and outline design works on the extension are able to commence later this year, leading to a Transport and Works Act submission during 2014.
- 2.99 Scheme preparation and development works in the current year can be funded from revenue based scheme development allocations included within 2012/13 budgets.
- 2.100 If a commitment is made to this line, this would require in the order of £330 million of funding from the Earn Back model.

#### ***Stockport Town Centre Interchange***

- 2.101 Stockport Interchange is currently included within AGMA's Greater Manchester Transport Fund Programme on the list of schemes that have been identified as priorities but which are awaiting further funding. The GMCA report in June 2012 confirmed the scheme as being a confirmed priority for Greater Manchester.
- 2.102 Work has been on-going with Stockport MBC to review how a new bus interchange could be delivered within Stockport town centre, in the context of the updated town centre master plan proposals. This work concluded that the preferred location of both TfGM and the Council for a new bus facility is the existing bus station site. The work with Stockport MBC has resulted in acceptance of the Interchange into the GM Investment Pipeline.
- 2.103 A design team has now been appointed to further develop the design and to establish a greater level of cost certainty.

#### ***Stockport Town Centre Accessibility Package***

- 2.104 The Stockport Town Centre Accessibility package is currently included within AGMA's Greater Manchester Transport Fund Programme on the list of schemes that have been identified as priorities but which are awaiting further funding. The GMCA report in June 2012 confirmed the scheme as being a continued priority for Greater Manchester.

- 2.105 This scheme included a series of traffic management measures that would assist in the management of vehicles and pedestrians within the context of the overall town centre regeneration proposals.
- 2.106 As previously reported, good progress has been made over the last year resulting in a series of town centre accessibility measures now being considered as part of the Investment Pipeline. In particular, the master plan for the town centre identifies that the A6 corridor will support office and mixed use commercial development. This initiative to 'civilise the A6' has emerged from extensive modelling and would accelerate and encourage economic development in the surrounding environment. In addition, the Grand Central and Bridgefield schemes are critical to drive forward the town centre's transformation. The Grand Central scheme secured a £5 million contribution from Network Rail/DfT's Station Commercial Project Facility Fund in November 2011, alongside necessary planning consents.
- 2.107 The various packages of measures that have been developed by Stockport MBC to improve access and facilitate development in Stockport town centre includes highway and junction improvements, such as those for St. Mary's Way to improve traffic flow together with walking and cycling measures and bus priority measures. The various packages are subject to ongoing review by TfGM and Stockport officers.

#### ***East Lancashire / West Rochdale Area Study***

- 2.108 The outputs of this study was reported to TfGMC's Capital Projects and Policy on 6 July 2012 and concluded that rail based solutions would not deliver value for money and were not compatible with the heritage operations of the East Lancashire Railway. The study concluded that a number of interventions could be developed including a package of bus priority and traffic management measures, expansion of park & ride at Metrolink stops and walking and cycling measures.
- 2.109 Some walking and cycle route improvements are being delivered through the LSTF large project bid and the further work to develop bus priority and traffic management measures needs to be progressed in partnership with local authorities.

### Other identified priorities

- 2.110 Work is being undertaken on the development of the following tram-train schemes:
- Manchester – Marple;
  - Manchester – Glossop;
  - Manchester – Atherton – Wigan;
  - Sale – Altrincham (plus possible extension to Hale / Knutsford);
  - Didsbury – Hazel Grove.
- 2.111 This work, which is scheduled to be completed by the end of 2012, will provide a high level feasibility and appraisal suitable for prioritising the list of schemes.
- 2.112 Further work, jointly funded with Tameside MBC, to develop an Ashton Interchange scheme, which would be fully integrated with Metrolink, is being undertaken in support of the economic led vision for Ashton Town Centre.
- 2.113 The successful Local Sustainable Transport Fund (LSTF) bid will enable a number of cycle route enhancements to be delivered; particularly those that will enable shorter distance commuter cycle trips to key employment destinations and transport hubs. A longer term cycling strategy is being developed with districts that will propose additional future cycle route improvements.
- 2.114 In partnership with Manchester and Salford colleagues, some preliminary work is being undertaken to review the requirements for bus routing, bus termini and pedestrian improvements within the Regional Centre and for traffic management measures to address the capacity of the Manchester and Salford Inner Relief Route.
- 2.115 Alongside the major infrastructure projects of the Airport Metrolink line and the SEMMMS highway scheme which will serve the Airport City area, work is being undertaken with Manchester Airports Group and Manchester CC to review other transport infrastructure and services needed to support the development proposals and ensure that local communities are able to benefit from the employment opportunities there.

### **3 GMTF Funding and Finance Strategy**

#### **Programme Costs**

- 3.1 The table below sets out the latest forecast scheme costs of £1,657 million; actual expenditure to the end of September 2012; and the forecast future expenditure (all rounded to the nearest £ million). This includes the £25 million programme level allowance that was included in the 'Greater Manchester Transport Fund Update' report to GMCA in January 2012; and in the capital programme that was approved by GMCA in February 2012.
- 3.2 The total scheme costs include highways, utilities and other complementary works that are being undertaken by Oldham MBC and Rochdale MBC; and these works, to a value of £7.5 million, are being procured on behalf of the relevant Authority by TfGM. Oldham MBC and Rochdale MBC are providing funding contributions of £5 million and £2.5 million respectively in respect of these works.

### Latest Scheme Forecast Costs

<b>Scheme</b>	<b>Spend To Date £m</b>	<b>Future Spend £m</b>	<b>Total £m</b>
<b>Metrolink Schemes</b>			
Droylsden to Ashton	73	16	<b>89</b>
Chorlton to East Didsbury	68	20	<b>88</b>
Rochdale town centre	21	16	<b>37</b>
Oldham town centre	58	31	<b>89</b>
Airport and 2CC	219	301	<b>520</b>
<b>Interface Works</b>	<b>12</b>	<b>13</b>	<b>25</b>
<b>Tram Replacement Programme</b>	<b>18</b>	<b>60</b>	<b>78</b>
<b>Interchanges</b>			
Altrincham Interchange	2	17	<b>19</b>
Bolton Interchange	3	45	<b>48</b>
<b>Bus/Rail</b>			
LSM	4	64	<b>68</b>
Cross City Bus	5	49	<b>54</b>
<b>Park and Ride</b>	<b>6</b>	<b>26</b>	<b>32</b>
<b>Contributions To Rail Stations</b>	<b>-</b>	<b>50</b>	<b>50</b>
<b>Road Schemes</b>			
SEMMMS (Note 1)	3	287	<b>290</b>
Longdendale Integrated Transport Strategy	-	100	<b>100</b>
Ashton Northern Bypass	15	-	<b>15</b>
Wigan Relief Road	-	30	<b>30</b>
Programme allowance	-	25	<b>25</b>
<b>Total</b>	<b>507</b>	<b>1,150</b>	<b>1,657</b>

**Note 1:** Excludes £2 million of Preparatory Costs referred to in section 2.80

3.3 The year to date expenditure to September and the 2012/13 forecast by scheme is attached at Appendix 1.

## Programme Funding and Risk Mitigation Strategy

- 3.4 On 31st July 2009, the AGMA Executive considered a report which presented an outline delivery strategy and proposed financial arrangements in support of the Transport Fund, and agreed that:
- the total investment package would be funded from grants from the Department for Transport; a 'top slice' from the Greater Manchester Integrated Transport Block (ITB) LTP funding over a period of 9 years from 2010/11; and from a combination of borrowings, to be undertaken by GMITA, and partly from local/third party contributions; and
  - GMITA (now GMCA) would repay the borrowings in full by 2045, in part through the application of Metrolink net revenues (being Metrolink revenues, net of operating, maintenance and other related costs); in part by the application of the annual ring-fenced levy contributions referred to in the report (which will be raised by GMITA (now GMCA) under its levying powers in addition to the amounts which the GMITA requires to levy to fund its other expenditure); and in part from local, third party, revenue contributions.
- 3.5 The default financial strategy for the GMTF assumed that borrowings for the Transport Fund would be undertaken from the Public Works Loan Board ('PWLB'). However, given that the products offered by the PWLB do not allow flexibility; principally in that they do not allow interest rates to be fixed forward in advance, discussions were held with the European Investment Bank ('EIB'), who are able to offer a wider range of flexible products, including fixing forward interest rates.
- 3.6 This subsequently enabled the GMCA Treasurer, in conjunction with TfGM, to negotiate a facility with the EIB of up to £500 million for the ongoing and future Metrolink investment programme. The £500 million represents approximately 39% of the total capital expenditure for the combined Metrolink Phase 3A programme and the Metrolink Phase 3B extensions; approximately 57% of the total borrowing requirements for the combined Metrolink Phase 3A and 3B programme; and approximately 64% of the total borrowing requirements for the GMTF.
- 3.7 The EIB facility allows interest rates to be fixed forward, which provides the opportunity to mitigate against the risk of future interest rate fluctuations. This is of particular importance given the risk of future interest rate increases



and the fact that borrowings from the default lender, the Public Works Loan Board (PWLB), can only be fixed at the time that the borrowings are undertaken. This approach also helped to protect the Fund programme from the impact of the Government's decision, at the time of the CSR, to charge a 1% margin (over the cost of gilts) on prudential borrowings through the PWLB.

- 3.8 To date, £450 million of the EIB facility has been fixed; at rates that compare favourably with Public Works Loan Board (PWLB) rates; represent value for money; and are affordable within the financial framework for the Metrolink programme and the GMTF.
- 3.9 The remaining £50 million of the £500 million facility from EIB is, as previously reported, conditional upon the granting of powers and approvals for the Metrolink Second City Crossing.
- 3.10 Further discussions were held with EIB during summer 2012 that have resulted in approval being granted by the EIB for a further facility of £150 million in relation to the Transport Interchanges, the LSM Guided Busway, the Cross City Bus Package and the replacement trams for the Metrolink network. It is currently anticipated that this facility will be in place by the end of 2012. The terms of the facility, which are anticipated to be aligned to those in place for the existing £500 million facility, will be included in the updated Treasury Management strategy that will be presented to the Combined Authority in early 2013. The utilisation of the facility will be the subject of an assessment by the GMCA Treasurer of the relative value for money of the terms and interest rates compared to the default position of borrowing from the PWLB.
- 3.11 In addition to the £450 million fixed with EIB, £297.5 million of borrowings have also been drawn down, at fixed rates, from PWLB. As a result, approximately 66% of the forecast borrowings for the Transport Fund and Metrolink Phase 3A programmes have now been fixed.
- 3.12 Utilising the fixed price products offered by EIB is consistent with the funding and risk mitigation strategy, which seeks to reduce the length of time over which we are exposed to fluctuations in interest rates, whereby:
- the risks associated with committing to fixed facilities that then turn out to be required later, are mitigated by only fixing facilities for approximately 57% of total Metrolink 3A / 3B borrowing requirements, resulting in the remaining facilities being able to be scheduled flexibly;

- rates are fixed on borrowings that are generally required later in the programme;
- EIB drawdowns have not been fixed to finance expenditure that relates to capital risk and contingency allowances;
- EIB drawdowns have not been fixed for the last 10% of borrowings, to allow for an appropriate level of programme flexibility; and
- borrowings for the Metrolink programmes can be managed alongside other borrowings for the non-Metrolink Transport Fund programmes.

3.13 These factors are in addition to the following mitigation strategies and contingencies, which were built into the financial strategy to protect against the risk of reduced revenues or increased operating or financing costs:

- Metrolink passenger numbers and resultant revenue forecasts were projected using modelled demand and yield forecasts;
- forecast Metrolink operating costs have been calculated by projecting forward known, existing; and future, Phase 3, operating costs; and
- forecast incremental net revenues have been subject to a risk adjustment before being included in the financial strategy.

3.14 GMCA and TfGM hold certain reserves which are ring-fenced to pay for and manage the risks of delivering their ongoing capital programme. TfGM is responsible for delivering a £1.7 billion capital programme of public transport investment and infrastructure, during the period to 2016. This is the largest programme of transport investment outside of London. The forecast annual capital expenditure in 2012/13 is currently forecast to be approximately £360 million.

3.15 Primarily as a result of the timing of capital spend and consequently lower than budgeted finance costs, the balance on the Capital Programme Reserve at 31 March 2012 was £25.9 million.

3.16 The capital programme reserve will be utilised as the financing costs (which include both the interest costs and minimum revenue provision with respect to the borrowings, which have been or will be taken out to fund the delivery of the schemes in the GMTF) increase in future years.

- 3.17 The current projected balance on the Capital Programme Reserve at the end of 2014/15 is approximately £30 million. This is after allowing for:
- up to £18 million of borrowings towards the costs of the highway works at Manchester Airport which interface with the Metrolink extension.
  - the costs relating to the acquisition of the additional trams to replace the remainder of the existing T68 fleet; and
  - the programme level allowance of £25 million relating to the cost of delivering the Metrolink capital programme as included in the table at section 3.2.
- 3.18 The current projected balance on the Capital Programme Reserve at the end of 2014/15 of £30 million would cover the cost of a shortfall in revenues from the new Metrolink lines of approximately 30% of the projected revenue in the first full year (incremental revenue shortfalls of approximately 10% have been allowed for in the projections for subsequent years); and would also allow a further programme level allowance of £10 million relating to the cost of delivering the Metrolink capital programme to the extent that this is required.
- 3.19 The resource streams, including the Metrolink net revenues, which will support the prudential borrowings, are set out below.

### ***Levy Contributions***

- 3.20 The financial strategy for the Fund, agreed by AGMA in 2009, included for agreed levy contributions to commence in 2010/11 and to increase each year for 6 years until 2015/16 at the rate of 3% of the prior year levy.
- 3.21 The levy contributions would then continue at the 2015/16 level for the following 30 years, which reflects the 30 year asset lives.
- 3.22 As agreed by GMCA at its meeting on 27 January 2012, the 2012/13 levy increase was reduced by 1.5% (i.e. from 3% to 1.5%). This was delivered by taking advantage of the benefit to the Transport Fund that had accrued as a result of a deferral in some of the capital expenditure (compared to the originally projected phasing in the financial model) and more favourable interest rates having been fixed for a proportion of the borrowings. To maintain the purchasing power of the fund, the lower contribution into the Transport Fund in 2012/13, and consequently in subsequent years, will need

to be restored in year 7 of the life of the Fund i.e. 2016/17, when there would otherwise have been no additional Levy contributions into the Fund.

- 3.23 The financial projections for 2013/14 assume that the levy contribution to the Transport Fund increases by 3% of the prior year year's levy, in line with the previously approved financial strategy.

### ***Net Revenues***

- 3.24 Net revenues generated by the schemes, including, in particular, the Metrolink schemes, delivered by the Fund will be available to support the prudential borrowing. In line with current agreed policy; fares are assumed to increase at RPI + 1% year on year.

### ***Resource contribution by Manchester Airport***

- 3.25 The Manchester Airport contribution of £50 million was originally assumed to be received in two £25 million tranches in each of 2011-12 and 2012-13. It has subsequently been agreed that the contribution will be received in five annual £10 million tranches (with a further payment of up to £1 million to reflect the time value of the revised schedule of contributions), with the first contributions having been received in 2010/11 and 2011/12.

## **4 Current funding position**

- 4.1 The table below sets out the anticipated assignment of funds to specific schemes within the GMTF.

	DfT	LTP	Other	PB	Total
	£m	£m	£m	£m	£m
<b>Metrolink Schemes</b>					
Droylsden to Ashton	61	10	-	18	<b>89</b>
Chorlton to East Didsbury	60	-	-	28	<b>88</b>
Rochdale Town Centre	-	3	3	31	<b>37</b>
Oldham Town Centre	-	4	5	80	<b>89</b>
Airport and 2CC	-	73	-	447	<b>520</b>
<b>Interface Works</b>	-	<b>7</b>	-	<b>18</b>	<b>25</b>
<b>Tram Replacement Programme</b>	-	-	<b>16</b>	<b>62</b>	<b>78</b>
<b>Interchanges</b>					
Altrincham Interchange	-	-	1	18	<b>19</b>
Bolton Town Centre Strategy	-	-	3	45	<b>48</b>
<b>Bus/Rail</b>					
LSM Busway	-	-	-	68	<b>68</b>
Cross City Bus Package	32	-	-	22	<b>54</b>
<b>Park &amp; Ride</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>16</b>	<b>32</b>
<b>Contributions to Rail Stations</b>	-	<b>3</b>	<b>47</b>	-	<b>50</b>
<b>Road Schemes</b>					
SEMMMs	165	20	-	105	<b>290</b>
Longdendale ITS	-	10	90	-	<b>100</b>
Ashton Northern Bypass	2	11	2	-	<b>15</b>
Wigan Relief Road	-	2	28	-	<b>30</b>
Programme Allowance	-	-	-	25	<b>25</b>
<b>Total</b>	<b>328</b>	<b>149</b>	<b>197</b>	<b>983</b>	<b>1,657</b>

4.2 The funding profile for Park and Ride reflects the proposals agreed by the Combined Authority on 28 September 2012.

## **5 Other Capital Schemes**

- 5.1 The following section includes an update on a number of other capital schemes that are being delivered by TfGM.

### **Other Metrolink Capital Programmes**

- 5.2 In addition to the Metrolink Schemes included within Phase 3a and within the Transport Fund, other Metrolink Capital Programmes include a number of projects to enhance the overall quality of service for passengers, including the improvement works on the Bury line and works in Piccadilly Undercroft.
- 5.3 The expenditure in the year to 30 September 2012 in relation to the other Metrolink Capital Programmes was £3.0 million and the forecast expenditure for 2012/13 is £6.0 million

### **Rochdale Interchange**

- 5.4 The Rochdale Interchange scheme involves the relocation of the existing town centre bus station to an alternative site adjacent to the River Roch. This scheme will deliver a step change in public transport facilities in the town; will allow the bus and Metrolink facilities to be integrated; and will facilitate the wider town centre re-development proposals being led by Rochdale Council.
- 5.5 DfT announced in November 2011 that the bid for the Rochdale Interchange had been successful. The package is to be funded as follows; £7 million from DfT and £4.5 million from local contributions including ITB funding and contributions from Rochdale Council and the Single Regeneration Budget (SRB). The scheme received final approval by the DfT on 24th February 2012.
- 5.6 Subsequent to the completion of a successful post-tender negotiation process, a contract for the main construction works has now been awarded.
- 5.7 A contractor was appointed to undertake the construction of the new Interchange in July 2012 and work commenced on site in summer 2012.
- 5.8 In addition, the associated Development Agreement with Rochdale Council, which formalised the land assembly and local funding contribution for the Interchange scheme, was also concluded.

- 5.9 Good progress has been made on site to date, with the majority of the earthworks and foundation works for the new concourse having already been completed.
- 5.10 Subject to the satisfactory completion of works on site, it is intended that the new Interchange will be brought into operational use during 2013.
- 5.11 The expenditure in the period to 30 September 2012 was £0.6 million and the forecast expenditure for 2012/13 is £5.0 million.

### **Wythenshawe Interchange**

- 5.12 A preferred solution for the Wythenshawe scheme is now progressing for a Multi-Modal Transport Interchange and significant work has been carried out in recent months to bring the new scheme forward. This has included work to maximise opportunities for integration between the bus station and the adjacent Metrolink stop.
- 5.13 Following a period of stakeholder engagement, the conclusion of the public consultation exercise and the progression of design development work, a planning application for the Interchange was submitted to Manchester City Council in October 2012.
- 5.14 Metrolink is now occupying the site of the Interchange as a main compound for the construction of the Airport Line extension. TfGM will ensure that both projects remain fully integrated and that the site is released to the Interchange project when construction works are ready to commence.
- 5.15 Subject to a satisfactory conclusion to the planning process, the construction works for the Interchange remain on course to commence on site in 2013 and will be completed during 2015.
- 5.16 The expenditure in the period to 30 September 2012 was £0.1 million and the forecast expenditure for 2012/13 is £0.4 million.

### **Victoria Roof**

- 5.17 TfGM has a contractual obligation to part fund the replacement of the roof that spans the Metrolink platform at Victoria Station; entered into as part of

the 2004 maintenance agreement with Network Rail signed 4 April 2004. The commitment is £4 million.

- 5.18 The value of the commitment to Network Rail remains at £4 million. The funding agreement was finalised in April 2012 and the phasing of the expenditure is based upon milestone payments.
- 5.19 The expenditure in the period to 30 September 2012 was £0.3 million and the forecast expenditure for 2012/13 is £2.0 million.

### **Traffic Signals**

- 5.20 The Traffic Signal Maintenance Contract, approved by GMCA on 1 April 2011, includes a programme to replace the existing filament lamps used in the traffic signals with Light Emitting Diode (LED) technology. This is a GMCA capital programme that will be delivered by TfGM. The budget for the LED replacement project, as approved by GMCA on 1 April 2011, is £7.5 million.
- 5.21 The LED replacement programme commenced in March 2012 and is scheduled to last for three years, producing savings in on-going maintenance and power costs for the signals network. These savings will be used to fund the financing costs of the LED replacement capital programme.
- 5.22 The expenditure in the period to 30 September 2012 was £1.4 million and the forecast expenditure for 2012/13 is £3.7 million.
- 5.23 The GMCA is also forecasting to spend approximately £5.5 million on capital works to existing and new traffic signals in 2012/13 which will be financed through contributions from Districts and external developers.

### **Smart Ticketing**

- 5.24 The scheme includes for the roll-out of a Greater Manchester wide Smart Ticketing solution initially on the Metrolink network, and subsequently on the bus and rail networks.
- 5.25 Following the completion of a comprehensive procurement process, TfGM has, as reported to GMCA in September 2012, engaged a supplier for the



provision of the smart ticketing solution and the implementation project commenced in early September.

- 5.26 The capital cost of the delivery of preferred solution across the Metrolink network is in line with the budget of £16.4 million. This project is funded from £2.2 million of grant funding from the Department for Transport; £0.9 million of funding for the Minor works Capital programme and £13.3 million of borrowings from GMCA.
- 5.27 The expenditure in the period to 30 September 2012 was £0.4 million and the forecast expenditure for 2012/13 is £4 million.

### **Electric Vehicle Infrastructure**

- 5.28 The Government has formulated a strategy to promote electric and plugged in hybrid vehicles and part of this strategy includes promoting the development of electric vehicle charging infrastructure across the country. The Plugged-in Places (PIP) programme, administered by the Office for Low Emission Vehicles (OLEV), is currently funding a range of projects across the country to support the implementation of electric vehicle charging infrastructure.
- 5.29 The CA scheme involves installing 160 posts across Greater Manchester along with the associated management and operation of the infrastructure. 140 posts would be installed and located at park & ride sites, on-street, in popular locations, other public sector sites and where landowners agree; with a further 20 posts being funded by the private sector.
- 5.30 The capital cost for the delivery of the scheme is forecast to be £2.7 million. The GMCA agreed in September 2012 that the £1 million of remaining additional Integrated Transport Block funding should be utilised as match funding for OLEV grant and other local funding contributions of £1.7 million.

## **6 Recommendations**

- 6.1 The recommendations are contained on the front sheet of this report.

## Appendix 1

## Year to Date Expenditure and 2012/13 Forecast By Scheme

	Prior Years Spend £000 A	Approved Budget 2012/13 £000 B	YTD to Sep. 2012/13 £000 C	Outturn Forecast 2012/13 £000 D
<b>Greater Manchester Transport Fund Capital Programme (excl. Road Schemes)</b>	<b>374,558</b>	<b>296,813</b>	<b>104,162</b>	<b>293,503</b>
<b>Other Metrolink Schemes</b>	-	-		
Phase 3A	495,565	72,550	24,102	58,621
Other	64,753	8,210	2,950	5,955
	560,318	80,760	27,052	64,576
<b>Other Committed Capital Schemes</b>				
Bolton/Wigan TIF	2,179	2,998	70	2,998
Victoria Roof	-	1,750	256	2,020
Wythenshawe Interchange	695	558	123	360
Rochdale Interchange	3,875	6,676	635	4,991
Traffic Signals	232	3,743	1,400	3,743
SEMMMS Minor	1,554	-	-	941
Green Bus	16,669	1,001	224	1,250
Better Bus Area Fund	-	2,723	-	2,723
Smart Ticketing	2,654	7,221	438	4,000
	27,858	26,670	3,146	23,026
<b>Total Capital</b>	<b>962,734</b>	<b>404,244</b>	<b>134,360</b>	<b>381,105</b>