

**SUBJECT: Transforming Cities Fund Grant Award**

1. As part of the 2020 Government Budget, the Chancellor announced in March the outcome of the Industrial Strategy's Transforming Cities Fund (TCF). The joint bid submitted by Southampton City Council and Hampshire County Council for the Southampton City Region was awarded £57M of Government funding towards project and covers the three years to March 2023.
2. This is a significant success for the Council, however, it is the lower package of schemes included in the bid. The council's Medium Term Financial Strategy (MTFS), approved in February, had estimated the medium package and therefore the overall programme needs to be reduced to reflect the actual funding awarded. The programme of works has also been slightly reprofiled over the 3 year period.

The TCF budget was approved in the MTFS as part of the wider Connected Southampton capital scheme.

**TABLE 1: Connected Southampton (adjustment to capital programme)**

	<b>Budget 2020/21 £M</b>	<b>Budget 2021/22 £M</b>	<b>Budget 2022/23 £M</b>	<b>Budget 2023/24 £M</b>	<b>Budget 2024/25 £M</b>	<b>Total £M</b>
Existing Budget	40.670	50.099	41.464	22.000	1.500	155.733
Proposed Budget	16.372	26.065	45.836	22.000	1.500	111.773
Difference	(24.298)	(24.034)	4.372	0.000	0.000	(43.960)

3. This will result in a corresponding reduction in funding from Government Grants of £43.96M
4. Match funding was also included in the MTFS on the assumption that the higher level of TCF grant funding would be awarded. This means an element of the Transport Schemes Match Funding budget can also be reduced as the match funding requirement for the scheme is now lower.

**TABLE 2: Match Funding (adjustment to capital programme)**

	<b>Budget 2020/21 £M</b>	<b>Budget 2021/22 £M</b>	<b>Budget 2022/23 £M</b>	<b>Budget 2023/24 £M</b>	<b>Budget 2024/25 £M</b>	<b>Total £M</b>
Existing Budget	2.400	0.900	5.900	0.000	0.000	9.200
Proposed Budget	1.500	0.150	5.150	0.000	0.000	6.800
Difference	(0.900)	(0.750)	(0.750)	0.000	0.000	(2.400)

5. This will result in a corresponding reduction in funding from Council Resources of £2.40M.
6. The funding for the schemes is detailed in table 3 below:

**TABLE 3: Funding**

	<b>Budget 2020/21 £M</b>	<b>Budget 2021/22 £M</b>	<b>Budget 2022/23 £M</b>	<b>Budget 2023/24 £M</b>	<b>Budget 2024/25 £M</b>	<b>Total £M</b>
Table 1: Connected Southampton spend	16.372	26.065	45.836	22.000	1.500	111.773
Table 2: Match funding spend	1.500	0.150	5.150	0.000	0.000	6.800
<b>Total spend (tables 1 and 2)</b>	<b>17.872</b>	<b>26.215</b>	<b>50.986</b>	<b>22.000</b>	<b>1.500</b>	<b>118.573</b>
<b>Funded by:</b>						
Transforming Cities Fund Grant	10.027	22.153	24.719	0.000	0.000	56.899
Other Grants	5.336	3.092	20.947	21.830	1.500	52.705
Council Resources	2.509	0.970	5.320	0.170	0.000	8.969
<b>Total funding</b>	<b>17.872</b>	<b>26.215</b>	<b>50.986</b>	<b>22.000</b>	<b>1.500</b>	<b>118.573</b>

7. An element of revenue funding will be needed to be spent to support these schemes, which will be accommodated from existing resources.
8. This investment will dovetail with the expectation from Government around developing transport, its related infrastructure and enhancing options for daily travel as part of the response required to address COVID. It is also a part of measures that can assist the economic recovery which is necessary.

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