

Report
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City Region Sustainable Transport Settlement Process Evaluation – Case Study 1 Report: funding allocation process

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Executive Summary

The CRSTS funding allocation process

The City Region Sustainable Transport Settlements (CRSTS) programme is a consolidated fund from the Department for Transport (DfT) for eight of the largest city regions across England. The funding was made available to invest in local transport networks with the aim of driving significant change. The fund consolidated existing schemes and provided additional investment for the eight locations over a five-year settlement period. £5.7 billion was allocated, and first payments were made to Mayoral Combined Authorities (MCAs) in April 2022.

Before the eligible MCAs received their settlement, DfT engaged them in a funding allocation process between 2021 and 2022. This report explores the key findings of an evaluation of this allocation process, which involved interviews with government representatives from DfT and HM Treasury (HMT) and MCA officers responsible for the design and delivery of their CRSTS programmes.

The funding process required MCAs to provide a prospectus, giving options for programmes in high and low funding scenarios for the five-year settlement period, ending in financial year 2026/27. Following a confirmation of their allocations, MCAs provided programme business cases based on programmes which were refined with DfT and HMT. This refinement included ‘challenge sessions’ which were added into the process as decision-makers required more detail than was provided in the MCAs’ initial prospectuses.

Process evaluation methodology

Steer were commissioned to undertake a process evaluation of the CRSTS funding allocation process on the behalf of DfT. Research questions were developed in collaboration with DfT as part of the project scoping process. These questions can be found in **Appendix A**.

A qualitative research approach was taken, consisting of a combination of in-depth, semi-structured focus groups and interviews to gather depth and nuance. More details on the methodology can be found in **Appendix B**.

Key findings and lessons learned

The ten key findings and lessons learned from the process evaluation are discussed in **Section 4** of this report. In summary, they are:

- 1. MCAs saw longer-term funding settlements as enabling better strategic planning of interventions and potentially more efficient use of funds.** MCAs reported that the five-year funding timescale allowed for more strategic thinking and planning of resources and projects. They would welcome further longer-term funding settlements in the future.
- 2. MCAs viewed resource grant funding as critical to delivery, given capacity and capability constraints.** MCAs saw the funding provided to resource programme development as critical to their ability to deliver.

- 3. Decision-makers should be clear upfront on what is in scope of the funding and consider the impacts of any parallel funds and timescales on MCA and Local Authority (LA) resourcing.** Government should consider how to help MCAs manage scenarios where schemes are eligible for multiple funding sources, such as Bus Service Improvement Plan (BSIP) or Restoring Your Railway (RYR) funding as well as CRSTS.
- 4. Funders should set out key principles and processes at the outset to explain how details of budgets and delivery programmes will be agreed,** including the level of central government scrutiny that will be present at each stage and which stakeholders from which government departments will be involved.
- 5. Funders should set realistic timescales for completing work and where possible avoid setting tight deadlines over holiday periods such as Christmas and the summer holidays.** Where possible, long lead times should be provided to allow MCAs, and their constituent LAs, to plan ahead.
- 6. The level of scrutiny, while challenging for MCAs, was proportionate to the large scale of funding and the significant change CRSTS seeks to deliver.** Although at the time the level of scrutiny was challenging for MCAs, in retrospect MCAs generally agreed that the scrutiny was appropriate for the amount of funding involved.
- 7. Funders should factor in the relationship between MCAs and their constituent LAs when designing funding allocation processes and setting out timelines.** Timelines should be realistic to allow MCAs to consult their LAs on the programme design, to gather the information required and ensure political support and sign-off.
- 8. The process and criteria for assessing MCAs' submissions should be transparent and agreed in advance.** Both MCAs and central government participants agreed that assessment processes could have been clearer and more transparent.
- 9. Decision-makers should provide clarity on how having a potential funding range will be used in the decision-making process or consider alternative approaches to programme refinement.** This could have helped MCAs plan and use the range to make decisions around priority and added-value schemes.
- 10. Stakeholder relationships were a key strength of the process.** MCAs viewed DfT as collaborators, who provided constructive challenge. The development and deepening of these relationships during the CRSTS allocation process

provides a solid foundation for further collaboration between DfT, HMT and MCAs on future funding settlements.

The structure of the report is as follows:

- **Section 1: Introduction** provides background information about the CRSTS programme, this report, and the research methodology.
- **Section 2: The funding allocation process** presents the timescales of the allocation process.
- **Section 3: Findings from the process evaluation** details the research findings from the qualitative research.
- **Section 4: Conclusions and lessons learned** summarises the learnings from the evaluation.

1 Introduction

Introduction

- 1.1 The City Region Sustainable Transport Settlements (CRSTS) programme is a consolidated fund from the Department for Transport (DfT), for eight of the largest city regions across England. The funding was made available to invest in local transport networks, with the aim of driving significant change. The fund consolidated existing schemes and provided additional investment for these locations over a five-year settlement period. £5.7 billion was allocated¹, and the first payments were made to Mayoral Combined Authorities (MCAs) in April 2022.
- 1.2 Before the eligible MCAs received their settlement, DfT engaged them in a funding allocation process between 2021 and 2022. In the Spring 2023 budget, a second round of the City Region Sustainable Transport Settlements (CRSTS2) was announced by the Government, totalling £8.8 billion. On 4 October 2023, the Government announced an additional £8.55 billion of funding would become available for CRSTS2 as part of Network North. CRSTS2 is not within the scope of this Process Evaluation, and all references to CRSTS within this report refer to the original CRSTS programme of £5.7 billion, which is now also informally known as 'CRSTS1' to distinguish it from CRSTS2.

Background to the Fund

- 1.3 CRSTS is different from pre-existing DfT funding programmes. As well as being a five-year settlement, it provides integrated funding for transformational investment in infrastructure alongside annual Highways Maintenance, Integrated Transport Block and Potholes funding at levels equivalent to 2021/22. This aims to provide longer-term funding certainty and the ability to integrate maintenance with the building of new infrastructure and improvements to existing infrastructure. CRSTS is the successor to the Transforming Cities Fund (TCF) for MCAs², and the final year of TCF payments for MCAs have been consolidated within CRSTS.

¹ The total fund was originally published as £4.2bn but was confirmed as £5.7bn at Spending Review 2021, taking account of the consolidation of other funding.

² The Transforming Cities Fund (TCF) was a £2.45 billion capital grant transport fund aimed at driving up productivity through investments in public and sustainable transport infrastructure in England's largest city regions. It was launched at Autumn Budget 2017 and expanded in Budget 2018.

- 1.4 In 2020, the National Infrastructure Strategy indicated that the poor quality of local transport networks in city regions outside of London negatively impacts on regional productivity³. Additional investment in these networks was therefore required.

³ HM Treasury (2020), National Infrastructure Strategy: Fairer, faster, greener.
https://assets.publishing.service.gov.uk/media/5fbf7591e90e077ee2eadc44/NIS_Report_Web_Accessible.pdf

1.5 CRSTS funding was targeted at the following objectives:

- driving growth and productivity;
- decarbonising transport; and
- levelling up services and areas.

1.6 The new and consolidated funding for MCAs, provided over a longer-term settlement than has previously been typical, aimed to support MCAs to achieve these objectives. It attempted to simplify and draw together related investments, enabling MCAs to take a longer-term view and have the ability to plan across a number of years.

This report

1.7 This report draws together findings from a process evaluation of the funding allocation process. A process evaluation generates learning on how an intervention or policy was delivered. It includes consideration of what worked well and less well, and why; as well as what could be improved and how the context for the intervention influenced delivery.

1.8 Through these evaluation findings, this report aims to inform future funding decisions and allocation processes. The report is structured thematically, reflecting experiences throughout the process, rather than being a chronological account of the process. The report focuses on themes relating to:

- the nature of CRSTS as a longer-term, five-year funding settlement;
- MCAs' resourcing of the process and the impact of the resource grant funding;
- the overlap between CRSTS and other funding allocation processes;
- the design of the funding allocation process;
- the timings of the funding allocation process;
- the level of scrutiny involved;
- the process of assessing MCAs' prospectuses and business cases; and
- the relationships between stakeholders.

1.9 This evaluation forms one of several case studies which will examine different aspects of the delivery of the CRSTS programme. In addition, this process evaluation is being complemented by an impact and value for money evaluation which has been commissioned separately by DfT.

Methodology

- 1.10 Steer were commissioned to undertake this process evaluation on the behalf of DfT. This has included developing the methodology, conducting fieldwork and analysis, and summarising the findings in this report. This report is based on in-depth interviews and focus groups with DfT and HMT officials, and officers from the seven⁴ funded MCAs.

Research questions

- 1.11 To deliver this evaluation, research questions were developed in collaboration with DfT as part of the project scoping process. These questions can be found in **Appendix A** and include themes such as participants' expectations of how the funding allocation process would be carried out, the experience of the allocation process in terms of capability and capacity, how the process differed from expectations, and anything which should be changed or retained in future processes.

Qualitative Methodology

- 1.12 A qualitative research approach was taken, consisting of a combination of in-depth, semi-structured focus groups and interviews. Qualitative research is an appropriate choice where the key focus of the research is to gather depth and nuance. These methods were also considered suitable given the number of individuals who need to be consulted and the range of experiences which needed to be captured from across DfT, HMT and the MCAs.
- 1.13 The combination of individual interviews and larger focus groups enabled all necessary stakeholders to be engaged (rather than, for example, only interviewing a selected 'sample' of individuals), whilst also enabling an in-depth understanding of the participants' experiences and perspectives (which, for example, a written questionnaire would not have uncovered). The findings presented here are intended to demonstrate the range and diversity of the views and experiences of the participants, and to draw out common themes uncovered through the research.
- 1.14 More details on the methodology can be found in **Appendix B – Methodology**.

⁴ The North East will be eligible to work with Government to agree a CRSTS settlement once appropriate governance arrangements are in place. They were not included in this research. The Cambridgeshire and Peterborough MCA is not currently eligible for CRSTS; discussions on the case for a deeper devolution proposal for the region between the MCA and Central Government remain ongoing.

2 The funding allocation process

- 2.1 This section outlines the allocation process as it happened, to provide context for the detailed research findings presented in the following section. It covers the various steps involved in allocating the funds, from the initial announcement through to the proposal submissions, assessment, and final allocation.
- 2.2 The funding allocation process is summarised in the timeline in **Table 2.1**.

Table 2.1: The CRSTS funding allocation process

Date	Event
March 2020 and March 2021 Budgets	Preliminary CRSTS announcements
July 2021	DfT issues funding guidance to eligible MCAs
July – September 2021	MCAs develop prospectuses based on funding guidance
September 2021	MCAs submit their prospectus for DfT and HMT review
September – October 2021	DfT and HMT assess prospectuses against CRSTS fund objectives
October 2021 Spending Review	Indicative allocations for MCAs confirmed
December 2021	Challenge sessions
January 2022	MCAs develop their Programme Business Case
February 2022	MCAs submit their Programme Business Case
April 2022	Funding settlement letters issued to eligible MCAs
May – June 2022	Further challenge sessions
June – July 2022	Final delivery plans agreed between DfT and MCAs
From July 2022 onwards	MCAs deliver their programmes
March 2027	End of CRSTS settlement

- 2.14 This section portrays a factual account of the process undertaken and timings. This is considered to be a comprehensive reflection of the allocation process, and while interpretation and expectations varied between stakeholders, the steps outlined in the process were corroborated across multiple interviewees. Stakeholders' views on their experience of the process are not included here but are set out in Section 3.

Early stages

- 2.15 The allocation process for CRSTS was planned to run between 2020 and 2022. The deadline for confirming allocations to MCAs was the beginning of the 2022/23

financial year. This deadline was to provide MCAs with certainty at the point at which other funding, for example, highways maintenance funding, ended.

- 2.16 The CRSTS allocation process comprised multiple stages, with the earliest announcements taking place via the delivery of Budgets in March 2020 and 2021. Following these preliminary announcements, funding guidance was issued to eligible MCAs in July 2021 (referred to as ‘the guidance’ or ‘the published guidance’ in this document).
- 2.17 The guidance provided eligible MCAs with the objectives for the fund and instructions for prospectus development. The prospectus was to be a short (20 page) document outlining the strategic case for funding, including what had been prioritised, why and how it would be delivered. Each MCA was provided with a funding range and was asked to include high and low scenarios within their prospectus.
- 2.18 In September 2021, MCAs submitted their prospectuses and they were reviewed by DfT and HMT and scored against the CRSTS fund objectives. An indicative allocation was agreed for each MCA within their funding range, which was confirmed at Spending Review ’21 (October 2021).

Business case stage

- 2.19 The indicative allocation required MCAs to reprioritise their investment programme to be deliverable within the allocation value, and they were also required to submit a Programme Business Case (PBC). The PBC was a single business case which covered the entirety of the proposed investment programme, and was to be submitted in line with HMT’s Green Book five-case model and relevant departmental guidance. The guidance provided to MCAs for their business cases was not published but was provided to Steer.
- 2.20 Following the indicative allocations announced at Spending Review 2021, ‘challenge sessions’ were held with MCAs in December 2021. These sessions aimed to guide investment programme reprioritisation and business case development. Workshops were attended by HMT, the Prime Minister’s Office and DfT officials, including representatives from modal and CRSTS policy teams. The challenge sessions focused on understanding each MCA’s programme to ensure the delivery of direct transport benefits through the investments, and that projects met CRSTS fund objectives. They were added because decision-makers required responses to scheme-specific questions which hadn’t been included within the prospectuses.
- 2.21 In January/February 2022, PBCs were submitted to DfT. They built upon their prospectus submissions through Autumn 2021 to develop the business cases, and included detailed information on the proposed schemes to be delivered. The PBCs were assessed by DfT and HMT. This was followed by a further assessment of individual proposed schemes, including any amendments resulting from feedback from the December workshops.
- 2.22 Ministerial approval was sought for the indicative allocations, and on individual schemes to be retained by DfT (i.e. schemes to be subject to continued oversight from

the department), schemes that would not be funded, or any elements where further information was required.

Final allocation

- 2.23 In April 2022, Funding Settlement Letters were issued to the eligible MCAs. These letters, which were published, confirmed the yearly funding breakdown for each city region over the five-year period, along with their allocated resource grant funding for 2022/23. The letters listed any specific schemes either retained or not funded, and any elements where further information was required.
- 2.24 In May-June 2022, a further round of ‘challenge sessions’ were led by DfT/HMT with each MCA individually. These explored outstanding queries on schemes submitted by MCAs in their PBCs and potential overlaps with their Bus Service Improvement Plans (BSIPs)⁵, as funding was received for buses from both settlements. The sessions allowed DfT policy officials working on buses to contribute to the discussion concerning BSIPs and its interaction with CRSTS funding. This ensured co-ordination of the MCAs’ CRSTS scheme proposals with their planned BSIP measures, and that sufficient ambition on bus priority was being proposed through CRSTS investments. Notably, West of England Combined Authority (WECA) did not have one of these challenge sessions as there were no outstanding queries related to their schemes. However, WECA participated in an informal discussion with DfT and HMT.
- 2.25 In June and July 2022, final delivery plans were agreed between DfT and the MCAs. The MCAs were asked to provide further information following the challenge workshops before further advice was sent to Ministers on finalising CRSTS programmes. This advice was issued and approved in July 2022. Agreed scheme lists and details of the delivery programme were published online before the 2022 Summer Recess.

⁵ These funding allocations were first announced in 2022 for local transport authorities in England (outside London) to use funding to provide bus service improvements; including delivering improvements to fares and services, long-term bus service improvements, and local long-term vision for bus services (see <https://www.gov.uk/government/publications/bus-service-improvement-plans-local-transport-authority-allocations/bus-service-improvement-plans-local-transport-authority-indicative-allocations-202425>)

3 Findings from the process evaluation

- 3.1 The following section summarises the findings of the process evaluation, based on the interviews and focus groups conducted. Conclusions and lessons learned for future bidding processes are summarised in Section 4.
- 3.2 This section considers the findings across the following cross-cutting themes:
- the nature of CRSTS as a longer-term, five-year funding settlement;
 - MCAs' resourcing of the process and the impact of the resource grant funding;
 - the overlap between CRSTS and other funding allocation processes;
 - the design of the funding allocation process itself, including the provision of information giving MCAs the ability to pre-plan; the provision of formal guidance to MCAs; and MCAs' responses to that process;
 - the timings of the funding allocation process;
 - the level of scrutiny involved, throughout the process, and in the final 'challenge sessions';
 - the process of assessing MCAs' prospectuses and business cases; and
 - the relationships between stakeholders.
- 3.3 At the start of each section, a summary of key points, including any strengths and weaknesses identified, has been provided.

A five-year integrated funding settlement

Summary: MCAs reported that the five-year funding timescale enabled them to think more strategically and do more forward-planning with regards to resources and projects. The proposals developed by the MCAs provided a clear plan of the deliverables over the settlement period which meet the CRSTS objectives. However, planning a longer-term programme in detail was difficult for the MCAs and reduced programme flexibility and adaptability.

Providing longer-term certainty to encourage longer-term strategic planning

- 3.4 CRSTS provided a five-year funding settlement. An HMT official interviewed stated that the National Infrastructure Commission had influenced their recommendations

about CRSTS being a long-term fund to provide long-term certainty, focussed on delivering local economic growth⁶.

- 3.5 HMT's starting point in developing a five-year funding settlement was, on the one hand, to ensure that every MCA received funding, but on the other hand, to recognise the value in having some competitive element to maximise the opportunities to deliver growth.
- 3.6 MCAs saw the five-year timeframe positively, as it encouraged longer-term strategic thinking (though the funding is still awarded to the MCAs annually). MCAs reported that the longer timeframe reduced the uncertainty of changes in funding year-on-year and enabled better planning of resources and projects. They were also able to pass on the benefits of this forward-planning to their constituent LAs.

Detailed programming for the five-year period

- 3.7 While planning for the longer-term was welcomed at a strategic level, MCAs found that the requirement to plan in detail for the whole five-year period at the allocation stage presented challenges. Firstly, the flexibility to change the programme later was seen as limited by MCAs. Programmes also included schemes which were either speculative or in early stages with questions over feasibility or those that would take longer than the five-year settlement to deliver. MCAs felt pushed to be ambitious and were unclear what would happen if schemes could not be delivered in the timeframe available.
- 3.8 MCAs' ability to react to change was also felt to be limited by this detailed programming. Since MCAs received their initial CRSTS funding in April 2022, an example of change is the impact of recent inflationary pressures. This challenge was raised by both DfT and MCA participants. The fixed nature of the programme and increasing costs associated with their planned scheme pipeline have put budgets under pressure. While contingency was built into each project, it was not possible to add this at the programme level, which meant that MCAs would not be able to use a general contingency within their CRSTS programme to mitigate the risk of cost overrun on their CRSTS projects in a more flexible manner.
- 3.9 DfT participants explained that to deliver the overarching objectives of CRSTS, the programmes agreed with the MCAs needed to have clear deliverables within the five-year period, which led to the requirements for the programme needing to be detailed at the start.

Continuity of funding beyond the five-year period

- 3.10 Despite the challenges of planning for five years in detail, more than one MCA asked if a second phase of CRSTS was planned. In addition, MCAs expressed support for the idea of future funding being allocated in a broadly similar manner, particularly the

⁶ See also *Section 7: Funding and financing* in National Infrastructure Commission (2018), National Infrastructure Assessment, https://nic.org.uk/app/uploads/CCS001_CCS0618917350-001_NIC-NIA_Accessible-1.pdf

length of the funding programme. However, MCAs also stated that they would require more notice for subsequent funding, to be able to start planning earlier.

- 3.11 One MCA also mentioned that they may change their approach to pipeline development if this duration of fund continues. The MCA stated that if they had more assurance of continuity of funding, they would be able to focus on and build confidence in developing the initial stages of larger projects, rather than completely focusing on delivery within the five-year window.

Resourcing and use of resource grant funding

Summary: MCAs faced resource constraints and felt under pressure, particularly when deadlines were short. However, they were able to deliver what was required on time by reallocating or rescheduling other work internally, because of the importance of CRSTS.

MCAs generally felt that they had some of the necessary capability to deliver the requirements, but they used the resource grant funding to bring in consultancy support to add to their in-house resources and to source particularly specialist or in-demand skills, such as transport economic appraisal and cost estimation. MCAs viewed grant resource funding as critical to their ability to deliver, given capacity and capability constraints.

Resourcing arrangements and challenges within DfT

- 3.12 DfT participants considered that while resources were available within DfT, the process timelines included pressured points where resource requirements were intense. For instance, the assessments of prospectuses and business cases proved challenging for the resource available, as all MCAs had the same deadlines. On reflection, one DfT participant suggested that getting agreement from senior managers to prioritise CRSTS helped to secure the necessary resource at these pinch points.

Resourcing arrangements and challenges within MCAs

- 3.13 Interviewees noted that questions related to MCAs' ability to deliver the proposed programmes were raised by both DfT and internally within MCAs. These concerns were partially motivated by MCA constraints of being under-resourced or unable to fill roles. However, it was also recognised that MCAs had not delivered on this scale previously.
- 3.14 Across MCAs, the number of staff available to help with the CRSTS allocation process differed, however almost all mentioned that it stretched the available resource. The size of the MCA was not specifically mentioned as a barrier to being able to deliver effectively, though it was noted that the larger MCAs had larger programmes.
- 3.15 There was a recognition across MCAs that this was a large and important funding process and therefore resources were reallocated internally to ensure adequate levels were available to fulfil the requirements of the allocation process. Meanwhile other projects and processes were reallocated or rescheduled to allow time to focus on CRSTS.

- 3.16 The resourcing and capability gap in MCAs were not unique to CRSTS, as interviewees noted more general challenges with attracting sufficient talent at the available salaries at MCAs. MCAs reported that they found themselves in a position where they struggle to recruit people with the specific skills needed to help with bidding and delivering funding.

Use and benefits of resource grant funding

- 3.17 MCAs said that their resourcing challenges were in some places alleviated, in the short term, by the resource grant funding received from Central Government. MCAs generally stated that this funding had a positive impact on their ability to deliver what was required for the CRSTS allocation process. MCAs used the resource funding to enable short term resources to be procured, to bring in particularly in-demand skills, such as transport economic appraisal and cost estimation, or fill roles for short/ immediate timescales. It was used both in the planning phase and to bolster internal resource at pinch points during the process. It allowed them to bring in necessary resource and capabilities, which, when recruitment was challenging, relieved some resourcing challenges.
- 3.18 By using it for pre-allocation process preparations, resource grant funding put MCAs in an improved position of being prepared for the prospectus stage, with added skills and capacity. This was often used for consultancy support, to develop and prioritise pipelines, and provide business case development. MCAs considered external support to be useful to provide additional resource and skills, but also to offer an independent critical view. Most MCAs thought that without the resource grant funding, they would still have been able to submit a prospectus, but it would have been much more generic with the schemes in the programme much less well developed.

Quality of prospectuses produced

- 3.19 DfT stated that the prospectuses varied widely in terms of focus and level of detail. It was suggested that this may be down to experience, capability, or simply, due to the interpretation of the guidance. Some MCAs were less experienced in delivering funding bids, due to their maturity, and the scale of funding was unique for most, if not all. That said, MCAs reported that they were not fazed by the requirements to deliver their prospectus or the business cases.

Overlap between CRSTS and other funding streams

Summary: *The overlap of CRSTS and TCF funding caused confusion over priorities and requirements. A challenge was also presented by the fact that work required for other funds, such as TCF, BSIPs and the Levelling Up Fund (LUF), occurred at the same time as deadlines for CRSTS, putting MCAs under resourcing pressures.*

- 3.20 CRSTS-funded MCAs who are also recipients of TCF received their final year of TCF funding as part of their CRSTS settlements. The overlap with TCF initially caused confusion and challenge with the MCAs' LAs in a number of cases, in terms of knowing what had confirmed funding. The overlap of the final year of TCF being 'Year One' of CRSTS was stated as being 'unhelpful'. At the time of interview, some MCAs were

unclear on the practicalities of how they were to deliver on both programmes in the year.

- 3.21 Other funding allocation processes were happening at the same time as CRSTS, both led by DfT and from other departments (e.g. LUF for which DfT and DLUHC are joint owners). This presented challenges for MCAs from a resourcing point of view. In addition, MCAs reported that there were occasions where decisions on one funding scheme (e.g. LUF and Restoring Your Railway Fund) were pending, and the outcome would have an impact on schemes that they wanted to include in another proposal (e.g. CRSTS). Therefore, MCAs did not know whether to include the schemes in multiple funding bids to secure funding, whilst recognising that they would not be able to fund something twice. DfT modal specialists also recalled in their focus group that they were warned to keep a close eye on potential 'double bids' from MCAs.
- 3.22 BSIPs were one example of a bid being developed at the same time as CRSTS. Both CRSTS and BSIP funding allocation processes experienced delays, which caused additional challenge for MCAs. A number of MCAs mentioned that discussing what was included within each funding package was one of the main areas for focus in the challenge sessions.
- 3.23 Some MCAs commented that the way the CRSTS process was designed was a missed opportunity to align or combine other existing funding, for example, Active Travel Fund allocations, particularly as promoting active travel was stated to be one of the objectives of the settlements. Further consolidation of funds, especially those with similar aims, may have impacted on the choices of projects in the MCAs' programmes, and potentially could have reduced resourcing requirements in delivery and monitoring.

Design of the funding allocation process

Summary: This section considers the design of the funding process itself. The fund introduced a new way of working and successfully delivered settlements. After the initial March 2020 Spending Review announcement, DfT aimed to set expectations by engaging with MCAs about ways they could prepare for the process and what would be required. Formal CRSTS guidance was then published in July 2021. However, having a clear understanding of all requirements, including levels of detail and timings, across the entire process would have been helpful for MCAs at the outset.

Prior to July 2021: initial preparation based on informal DfT guidance and information

- 3.24 DfT prepared MCAs with information about the policy drivers and Ministerial interests. While this was described by interviewees as light on specific detail, MCAs said it helped them begin to refine their programmes and focus on areas aligned with DfT's strategic aims. Some MCAs took the opportunity to begin pipeline planning and gather projects from their LAs before the guidance was released. However, the format of the information DfT would require was unknown, meaning MCAs made assumptions around how they approached this.
- 3.25 Prior to the guidance being issued, MCAs stated that there was a limit on what they could plan without knowing how much of CRSTS was 'new' money, and how much was

other funding being ‘folded in’. The consolidated funding would potentially limit the number of new projects which could be planned for the programme, as projects were already committed via previous funding streams.

- 3.26 Prior to publication of guidance in July 2021, a lack of understanding of what would be funded had implications for the MCAs. They mentioned lost time and money spent on developing the proposals/ business cases for projects not taken forward. In particular, MCA interviewees stated that it had not been clear to them which types of schemes would be considered ineligible. Some MCAs had initially included projects such as road schemes, as they believed the wider benefits of these schemes met the objectives of the funding (for instance, driving growth and productivity). These scheme types were also not specifically mentioned as being ineligible. However, it later transpired that no road schemes were to be funded under CRSTS. Furthermore, some MCAs reported that communicating with their constituent Local Authorities (LAs) about projects which were dropped or reprioritised presented challenges for managing expectations and relationships across their LAs.

July 2021 onwards: CRSTS guidance published

- 3.27 MCAs welcomed the guidance published in July 2021 but MCA interviewees had mixed views on how precise it was. Following its publication, MCAs still had many questions to define and clarify what was required, which they worked through with DfT in their regular meetings and via email.
- 3.28 DfT interviewees were clear that the guidance reflected a full view of the knowledge of the process at the time it was published, and noted that it would have been difficult to provide any more specifics at that stage due to frequent changes in Central Government policy (including from HMT and the Prime Minister’s Office) during 2021.
- 3.29 The process felt, according to MCA interviewees, that it was being adapted or even created as it went along, and MCAs considered changes to the process ‘reactionary’. It was not clear at the outset what was going to be required beyond the prospectus – for example MCAs did not expect the business cases and additional scrutiny to be formal stages in the process. MCAs were expecting to produce business cases as part of their programme delivery and assurance processes but had not anticipated the level of detail that would be required.
- 3.30 In retrospect, most participants from MCAs, DfT and HMT considered that the July 2021 guidance could have been clearer and there was judged to be room for interpretation. For example, a participant from HMT recalled that during the later ‘challenge sessions’ MCAs were relieved, belatedly, to finally understand clearly from Central Government what it was looking for – for example the fact that economic growth was the number one target for the fund.
- 3.31 Interviewees highlighted that the process outlined in the guidance should have included elements of the CRSTS allocation process that were fundamental in determining the final funding awards.
- 3.32 MCAs also mentioned that the scope of what was included in the funding also changed to some extent over the course of the process, for example, around BSIP.

MCAs were unclear whether such changes were due to shifts in central government priorities, or to the MCAs' own differing interpretations of the guidance.

DfT and HMT agreed that planning for the funding process had taken a significant length of time and iteration due to political and wider uncertainty, in particular because the process occurred during the Covid-19 pandemic.

- 3.33 MCAs and government interviewees accepted that the steps that the process followed achieved the desired outcomes. Interviewees did not suggest that alternative processes should have been adopted, noting that the prospectus provided the strategic case and vision, whilst the business cases provided additional detail.
- 3.34 MCAs and government participants all described that – compared to expectations – the process took longer, was more intensive, required more resource, and involved more scrutiny, through more rounds of iteration.

Timings of the funding allocation process

Summary: *The overall settlement agreement deadline of 1 April 2022 was met. However, there were several areas identified for improvement of future funding allocation processes. Firstly, the breakdown of deadlines across the process for MCAs were not clear at the outset, and only shared at each stage. This made forward planning difficult. Secondly, the resourcing peaks were unhelpfully timed for MCAs, as deadlines were close to key holiday periods and timescales were short. Thirdly, the timeline for the process did not consider internal MCA governance processes. Fourthly, MCAs perceived government decision-making and actions as relatively slow, especially when compared to the timelines given to MCAs for completing work.*

- 3.35 While the overall deadline was met, the timings of individual stages within the process created some challenges. MCAs mentioned being given little notice of timescales, alongside having a lack of understanding of when DfT would provide feedback or next steps, which made it difficult to plan resources. MCAs reflected that this meant their resources had to be redeployed quickly to meet requirements. Resourcing bottlenecks were experienced within all the MCAs (see section “Resourcing and use of resource grant funding” above).
- 3.36 The prospectuses had to be delivered by MCAs over the summer in 2021, and the business cases then followed over winter 2021/2022. MCAs thought that these fixed timelines were challenging from a resourcing point of view, as they included established peak holiday periods when resources were constrained. MCAs suggested that advanced agreement of mutually agreed timelines could smooth the process.
- 3.37 The challenge sessions were a late addition to the process. MCAs reported that they did not have additional time added to allow for preparation or to implement changes to their programme following the discussions.
- 3.38 In addition, MCAs also found it challenging that the timings did not consider their own governance processes. MCAs needed to manage their own stakeholders, both within the MCA (including the Mayor), and with the constituent authorities, including both delivery and strategic/decision-making roles. MCAs mentioned that DfT did not appear to have a clear understanding of the processes required within MCAs to develop

pipelines and programmes for funding, such as approval committees and related sign off procedures. In addition, MCAs highlighted that significant time was required to gather political support, resourcing, and information required.

- 3.39 These processes, particularly when involving the LAs, required significant time and effort which MCA interviewees stated that they did not feel DfT had considered within their deadlines. However, this was felt to be similar to experiences with other Central Government programmes, and not unique to the CRSTS process.
- 3.40 While it was appreciated by MCAs that DfT were supportive in facilitating local decision-making through attending meetings and providing rationale, this did not ultimately mitigate MCAs' constraints of short timescales combined with local process requirements. However, MCAs acknowledged that some flexibility was provided by DfT in the specific deadline dates for delivery, albeit within a short window.
- 3.41 MCAs also reflected that while tight timelines were applied to their role, this was not reflected on Central Government's side, and that decision making was slow. Both MCAs and DfT openly noted that the process had started later than planned due to decision-making within Central Government delaying the publication of the guidance. In addition, the process took longer than expected due to delays throughout. However, delays were not considered, particularly by MCAs, to be unusual for funding (and other) government processes. One DfT participant noted that political decision-making over recent was slower than anticipated.
- 3.42 MCAs stated that they were generally content and 'relieved' to have received their letters at the deadline, despite the value of the allocation not being a surprise. The funding came with conditions and highlighted schemes which needed final confirmation, which were further refined over the following months. MCAs were content with the compromise of needing to provide further information before final sign off, as it meant receiving funding immediately.

Level of scrutiny involved in the funding allocation process

Summary: *In retrospect, MCAs generally felt the scrutiny involved in funding allocation was appropriate, given the amount of funding involved. Central government participants also reported that the level of scrutiny involved provided the assurance they required over the investment. However, the funding allocation process involved progressively more detailed scrutiny of programmes and schemes within them, which MCAs had not originally expected.*

The level of detail of scrutiny of individual schemes within MCAs' programmes, culminating in the 'challenge sessions', was often challenging to MCAs in terms of the resources required and the timescales. This also created challenges in their relationships with LAs. However, the challenge sessions did provide an opportunity for all stakeholders to come together and discuss the programmes and schemes at the level of detail Central Government required to make decisions.

- 3.43 Described by HMT as a 'quasi-competitive' process, the aim was to ensure that all eligible city regions received funding but also to maintain a competitive element that would encourage MCAs to deliver high quality bids. While CRSTS was intended to be a

devolved fund, both government officials and MCAs stated that the funding allocation process involved much more detailed scrutiny on specific components of the proposed programmes than was initially expected.

- 3.44 The MCAs' programmes were scrutinised in detail by assessment of the business cases and through challenge sessions. The level of scrutiny given to the programmes, though unexpected, was also seen as a strength. The benefit of this was felt to generate higher quality programmes. On reflection, most participants felt that the level of effort and scrutiny was probably appropriate given the size of the allocations, and relative to smaller allocations from other funds.

Level of scrutiny: balancing devolution and accountability

- 3.45 DfT's view was that Central Government should be able to hold MCAs accountable for delivering projects using central funding, and therefore, some control needed to be retained. This control focused around ensuring value for money and risk assurance. MCAs had accepted that there would be requirements for reporting and monitoring of outcomes but were not expecting the detail of value for money and risk assurance of schemes to be scrutinised at the programme design stage.
- 3.46 DfT participants also recognised that parts of the funding allocation process, in particular the challenge sessions, were not fully in alignment with the supposed devolved nature of CRSTS. However, they also stated that the need to devolve autonomy to localities, whilst ensuring high-value funding delivers impact, required balance.
- 3.47 MCAs did not initially welcome what they saw as a shift away from devolution, as they considered that their own existing assurance processes for delivering on government funding, which comprised of both internal and external appraisal, should be sufficient for CRSTS. Some MCAs also found the move away from devolution difficult to manage in their relationships with their LAs. LAs were a step removed from the decision-making and were being asked for more input than initially expected. This resulted in putting pressure on resources to provide input before receiving confirmation whether they would receive funding. However, MCAs did ultimately understand why the scrutiny was justified, given the very large amount of funding at stake.
- 3.48 The main concern from MCAs was the lack of clarity around the 'level' of devolution. MCAs did not, at the time, challenge the process, but reflected that they would like to have known how much scrutiny there would be. They considered that having knowledge of the extent and rigour of programme review may have impacted on their choice of schemes in the programme, for example, exclusion of schemes which were at early feasibility stages, or those planned for later in the programme which were less defined with less information available.
- 3.49 There were many mentions of how MCAs' initial expectations regarding devolution were closer aligned to the Transforming Cities Fund (TCF). MCAs stated that the CRSTS process felt like a 'step back' in terms of devolution. CRSTS required much more assurance and detail ahead of funding being agreed, whereas through TCF, funding preceded most of the decision making.

3.50 However, there was general agreement across interviewees that, given the size of the funding pot provided, the level of involvement and scrutiny experienced was ultimately proportionate. MCAs noted that the level of assurance by DfT could reasonably have been expected given the scale of CRSTS, particularly in comparison to TCF. Despite the outcome being acceptable, many identified that this should have been clearer from the outset.

Challenge sessions

3.51 Meetings between MCAs, DfT and HMT, named 'challenge sessions', were added to the process to facilitate additional scrutiny of the programmes. These sessions had not been anticipated by stakeholders, but it was agreed to add them in given the increased role of HMT.

3.52 HMT indicated that the description of component schemes, and the rationale for including schemes, did not provide the level of detail needed for final funding decisions, as MCAs were not given long enough to prepare their prospectuses. The challenge sessions were therefore introduced to help HMT to gain a clearer understanding of schemes, and also to ask questions around the evidence base for schemes, to satisfy their requirements for sign-off. Requirements included refining the programmes to bring them in line with HMT/ Prime Minister's Office strategic objectives.

3.53 DfT interviewees noted that, hypothetically, if clarity around programme business case requirements had been provided in the initial stages of the process, issues may not have needed addressing in challenge sessions. A DfT interviewee suggested that in the future, guidance materials could be tested first with MCAs, and that adding time for "check-ins" with MCAs at this stage may be beneficial to assist these initial stages of programme development.

3.54 The sessions interrogated the programmes at a detailed scheme level. Sessions of this nature had not been previously experienced by participants in MCAs or Government (both HMT and DfT). For example, questions about specific bus stop locations were mentioned by one MCA interviewee, which was felt to be too detailed, given the scale of funding, and number and range of schemes in the programme.

3.55 Interviewees across all organisations described the meetings as predominantly HMT driven, though the DfT chaired and provided briefings. The sessions were attended by MCA staff and government officials including DfT and HMT officers. Interviewees from both MCAs and Central Government reported that these sessions involved unusually senior levels of personnel for this type of process.

3.56 MCA and DfT interviewees highlighted that despite the large audience, having all stakeholders in the room together was beneficial for general communication. In addition, a DfT interviewee noted that these sessions gave MCAs a platform to directly voice their motivations - across the organisations - for including particular schemes within their programmes. Furthermore, an MCA expressed that, on reflection, these sessions provided a helpful opportunity to establish additional clarity amongst stakeholders regarding which types of schemes would be considered eligible within the funding.

- 3.57 However, they presented considerable challenges for MCAs, and participants stated that they had very little warning or preparation time for these meetings. The experience of the challenge sessions was expressed strongly and often negatively in the MCA interviews, with criticism mainly related to format and approach. For example, some MCA participants found themselves outnumbered by large numbers of DfT and HMT attendees and felt overwhelmed as a result. Others recalled that the sessions were difficult to prepare for, not knowing what types of questions would be asked.
- 3.58 Both DfT and MCAs described the resourcing and timescale issues around challenge sessions similarly. MCAs often had to bring a wide range of individuals to the sessions to be able to answer detailed questions. At least one mentioned having to answer detailed questions about schemes which were planned for the latter end of the programme, and consequently had less detailed information available.

Assessment processes

Summary: *There were structured criteria used to assess MCAs' prospectuses and business cases, collating wide ranging input from specialists in assessments. However, there was little transparency towards MCAs about this assessment. There was also a lack of clarity within Government as to what happened after this initial assessment in terms of decision-making responsibility.*

The use of 'high' and 'low' funding scenarios was included to encourage MCAs to strongly consider the priority ordering of their projects within their programme. While MCAs understood the principle of this approach, some nonetheless 'overbid' by exceeding the high scenario. The high and low scenarios also created an element of extra work for MCAs, as all MCAs had to rework their programmes when their settlement allocation was confirmed as neither their high nor their low scenario, but a value in between.

The assessment and decision-making process

- 3.59 The assessment of the business cases was divided across a range of individuals in DfT: mode specialists, area leads, and CRSTS policy colleagues were all involved in the assessment of relevant programme business cases, assessing areas related to their expertise. A template was used for the assessment to collect feedback across all teams involved, and this was then collated. HMT also assessed the business cases using the same criteria but also undertook further assessment.
- 3.60 Both MCAs and government participants agreed that assessment processes could have been clearer and more transparent. MCAs noted they were used to writing business cases and understood DfT's expectations in providing this type of information, but they did not feel they had clarity around how their outputs would be assessed, how decisions were going to be made or when they would receive feedback. This was particularly relevant for the business cases as they had already received their indicative allocation.

- 3.61 There was also a lack of clarity within Government as to what would happen after this initial assessment in terms of decision-making responsibility, and some mentions of earlier decisions being overturned at later stages.
- 3.62 One of the elements being assessed in the business cases was around schemes which should be retained by DfT. A number of schemes fulfilled the criteria and, though they received funding in the settlement, DfT retained final approval of the spending for the schemes. This was challenging for MCAs, as they suggested it goes against the aim of devolved funding and decision-making. It also required additional process and oversight to deliver the projects for the MCAs, which may have impacted delivery.

Use of high and low scenarios

- 3.63 DfT interviewees said that the use of high and low scenarios was included to encourage MCAs to strongly consider the priority ordering of projects; dividing projects into a reduced set of core projects for the lower bound funding application, and a more comprehensive set including lower priority but 'nice to have' projects for the upper bound funding application. From the DfT's point of view, a fixed amount of funding was available for distribution across the MCAs, so while applications were assessed individually, and not explicitly compared, the fixed 'pot' of money meant there were some trade-offs to be made between the MCA allocations.
- 3.64 Most of the MCAs agreed that an element of competition provided pressure to submit a good plan to secure the maximum funding. A couple of MCAs purposefully exceeded the upper thresholds, saying they were seeking to be ambitious or looking for DfT's help in prioritising their pipeline.
- 3.65 The settlement value given to MCAs often fell between the high and low scenarios, meaning a rework of their programme. This revision included further negotiations with LAs. MCAs stated that this funding figure was not accompanied by a suggestion of schemes to include or prioritisation recommendations by DfT. MCAs viewed this need to rework their programme as an additional task that was not accounted for by DfT's timelines.
- 3.66 In comparison, the TCF process had involved competitive shortlisting and business cases. Those MCAs involved with both were asked about the differences in their experiences. Very little was garnered in terms of comments, as the two were perceived by MCAs as very different, though their initial expectations had suggested the processes would be similar.
- 3.67 The scale of the funding was viewed as a major distinction. In addition, TCF was viewed as being more competitive by MCAs, which reflects the design of the TCF process compared to CRSTS. There were no strong views on whether this was a positive or negative by MCAs, based on the detailed level of scrutiny required by Government.

Roles and relationships

Summary: *The individuals across MCAs and Government who were involved in the process held differing but complementary roles. Relationships were a key strength of the process – particularly those between the MCAs and the DfT area leads. However, some further clarity on roles would have been beneficial, including the decision-making roles within Government.*

Clarity of roles

- 3.68 Stakeholder roles appeared to be clear to participants when the guidance was published in mid-2021, though later in the process there seemed to be less clarity among both DfT and MCAs about who was making final decisions. The level of involvement of HMT and the Prime Minister's Office was noted by MCAs, and this was something most had not experienced before. It was felt to create additional intensity in the process.

MCAs and DfT

- 3.69 The relationships between MCAs and DfT were seen to be a strength through the process and a necessity to its delivery. Many MCA participants, unprompted, were very positive about their area leads and the DfT policy team.
- 3.70 The area leads at DfT were identified by MCAs as being key to preparing the MCAs prior to the funding guidance, and providing a translation of what Government would want to see in their bids. The relationships were also key to getting clarifications, and a consistent point of contact, with knowledge about the region. The role of the area leads was described as a 'champion', or a 'friendly face in the room' by some MCAs, and for others as more of an intermediary, though the opinion of how the role was fulfilled did not seem to affect the outcomes. Area leads were able to provide insight into what types of schemes would be expected for the bid to help inform portfolio planning, managing expectations and ensuring the latest information was being shared with MCAs. They also provided local and contextual knowledge for their DfT colleagues.
- 3.71 Regular meetings were held between MCAs and DfT throughout the process, from prior to guidance being released, with area leads and policy officers involved as required. CRSTS was a standing item on continued regular meetings between them. MCAs viewed DfT as collaborators, providing challenge and being able to have dialogue around it. They also saw DfT as honest, being particularly helpful around how the process was evolving and providing early insight into next steps. The flexibility and understanding offered by DfT to MCAs when issues were encountered was appreciated.
- 3.72 On the DfT side, interviewees acknowledged the benefit of deepening their understanding of MCAs and their needs during the CRSTS funding allocation process, for example, in relation to their internal processes and sign off procedures.

Within Government

- 3.73 The relationships within Government, between DfT, HMT and the Prime Minister's Office were also discussed within the interviews. From DfT's point of view, there was a

good working relationship with HMT. However, MCAs were at times unclear of each department's role in the decision-making process.

- 3.74 DfT participants noted that HMT took a larger role than expected in driving the degree of scrutiny undertaken, as well as policy decisions. The addition of close involvement by the Prime Minister's Office made the process more complex, and added stakeholders who were not present at the start of the process. DfT officials interviewed stated that HMT were helpful in managing this relationship. MCAs found scrutiny coming from this level of Government challenging and unexpected.

4 Conclusions and lessons learned

4.1 The key findings of this process evaluation and the lessons learned for future funding allocation processes are:

- 1. MCAs saw longer-term funding settlements as enabling better strategic planning of interventions and potentially more efficient use of funds.** MCAs reported that the five-year funding timescale allowed for more strategic thinking and planning of resources and projects. They would welcome further longer-term funding settlements in the future, while also expressing a need for some flexibility (for example, in relation to rising project costs due to inflation). Building in some flexibility around scope and budget across the MCA's programme is particularly important for schemes planned for delivery at the latter end of the agreed timescale. MCAs also reported that they were able to pass on the benefits of forward-planning to their constituent LAs.
- 2. MCAs viewed resource grant funding as critical to delivery, given capacity and capability constraints.** MCAs saw the funding provided to resource programme development as critical to their ability to deliver. This funding was used both in the planning phase and to bolster internal resource at pinch points during the process. By using it for pre-allocation preparations, resource grant funding helped MCAs to be prepared for the prospectus stage, with added skills and capacity. The funding was often used for consultancy support, to develop and prioritise pipelines, and to carry out business case development.
- 3. Decision-makers should be clear upfront on what is in scope of the funding and consider the impacts of any parallel funds and timescales on MCA and LA resourcing.** For example, prior to the guidance being issued, some MCAs thought that road schemes would be included as they could meet CRSTS's growth and productivity objectives. However, the guidance later outlined that road schemes were not in scope. In addition, Government should consider how to help MCAs manage scenarios where schemes are eligible for multiple funding sources, such as Bus Service Improvement Plan (BSIP) or Restoring Your Railway (RYR) funding as well as CRSTS. MCAs expressed an initial lack of clarity regarding the funding streams that would be consolidated into the CRSTS funding. The overlap of CRSTS and the Transforming Cities Fund (TCF) and BSIP funding allocation process also caused some initial lack of clarity over priorities and requirements.

- 4. Funders should set out key principles and processes at the outset to explain how details of budgets and delivery programmes will be agreed,** including the level of central government scrutiny that will be present at each stage and which stakeholders from which government departments will be involved. MCAs generally felt that the scrutiny involved in CRSTS funding allocation resulted in higher quality programmes and was appropriate given the amount of funding involved. However, they noted that unexpected elements of scrutiny (such as challenge sessions) were introduced quite late in the process, making it more difficult for them to plan and prepare. Prior knowledge of the level of scrutiny might have influenced their choice of proposed schemes in the programme, for example they may have excluded schemes at early feasibility stages which were less defined.
- 5. Funders should set realistic timescales for completing work and where possible avoid setting tight deadlines over holiday periods such as Christmas and the summer holidays.** Where possible, long lead times should be provided to allow MCAs, and their constituent LAs, to plan ahead. MCAs were able to deliver what was required on time by reallocating or rescheduling other work internally, because of the importance of CRSTS. However, the amount of resource in MCAs was constrained and under additional pressure when timeframes were short. It should be noted that DfT timelines were also very compressed. DfT attempted to give MCAs as much time as possible, but delays getting approvals from HMT and the Prime Minister's Office resulted in compressed timescales.
- 6. The level of scrutiny, while challenging for MCAs, was proportionate to the large scale of funding and the significant change CRSTS seeks to deliver.** The funding allocation process involved progressively more detailed scrutiny of programmes and schemes within them, which MCAs had not originally expected. Some MCAs questioned the level of scrutiny involved in the process, as they considered their own assurance processes for delivering on government funding, which comprise of both internal and external appraisal, to be sufficient. Although at the time the level of scrutiny was challenging for MCAs, in retrospect MCAs generally agreed that the scrutiny was appropriate for the amount of funding involved.
- 7. Funders should factor in the relationship between MCAs and their constituent LAs when designing funding allocation processes and setting out timelines.** Timelines should be realistic to allow MCAs to consult their LAs on the programme design, to gather the information required and ensure political support and sign-off. Some MCAs also found the level of scrutiny from Central Government difficult to manage in their relationships with their constituent LAs. LAs were a step removed from decision-making and were being asked for more input than initially expected. This put pressure on LA resources to provide input before knowing whether they would receive funding.

- 8. The process and criteria for assessing MCAs' submissions should be transparent and agreed in advance.** Both MCAs and central government participants agreed that assessment processes could have been clearer and more transparent. While MCAs were used to writing business cases and understood DfT's expectations in providing this type of information, they did not feel they had clarity around how their outputs would be assessed, how decisions were going to be made or when they would receive feedback. This was particularly relevant for the business cases as they had already received their indicative allocation at this point. Therefore, they were unclear about how the content of the business cases would influence further decisions.
- 9. Decision-makers should provide clarity on how having a potential funding range will be used in the decision-making process or consider alternative approaches to programme refinement.** This could have helped MCAs plan and use the range to make decisions around priority and added-value schemes. Providing both a high and low scenario, and the final settlement falling between these, meant that MCAs had to re-work their programmes to fit their allocation. An alternative approach could help to alleviate a situation where work needs to be repeated.
- 10. Stakeholder relationships were a key strength of the process.** MCA and DfT officials had regular meetings throughout the process, starting prior to the guidance being released, with DfT area leads and policy officials. MCAs viewed DfT as collaborators, who provided constructive challenge. They also saw DfT as honest, particularly noting that they kept MCAs up to date about how the process was evolving and provided early insight into next steps. MCAs identified DfT area leads as key to preparing the MCAs prior to the funding guidance, and providing advice on what Government would want to see in their bids. These relationships were key for MCAs to receive clarifications, and the area leads provided MCAs with a consistent point of contact who was knowledgeable about the region. The development and deepening of these relationships during the CRSTS allocation process provides a solid foundation for further collaboration between DfT, HMT and MCAs on future funding settlements.

Appendix A – Research Questions

Planning and expectations

- How was the funding allocation process planned to be delivered by DfT? What influenced its design and what was it originally aiming to achieve?
- What were MCAs' initial expectations of the process and how were these set?
- How did the MCAs decide which interventions they wanted to fund in the five-year period? What were their decision-making processes? Was this different to other funding processes in local transport?

Experience of the allocation process

- How closely did the overall process reflect that planned for, in terms of resourcing, timescales, and levels of involvement of the respective key stakeholders, from the perspective of both HMG (His Majesty's Government) officials and MCAs?
- How did stakeholders' experiences of the process contrast with their experience of the TCF funding allocation process (if they were involved in this)?
- What was the MCAs' experience of the process from a capability and capacity point of view? How did this differ from experiences of developing other funding bids (e.g. Transforming Cities Fund (TCF), Levelling Up Fund (LUF), Bus Service Improvement Plans (BSIP))? How did they use the RDEL funding⁷ from DfT to help develop their plans and how effective was this?

Learnings from the process

- Overall, what were the strengths of the process and why? What benefits did they bring?
- Overall, what were the weaknesses of the process and why? What, if any were the impacts of these weaknesses?
- How could the process be improved or done differently?
- How could the process be adapted if it were to be rolled out to other types of authorities (i.e. authorities without devolved powers)?

⁷ RDEL funding is resource spending within HMT managed Department Expenditure Limits.

Appendix B – Methodology

HMT and DfT interviews and focus groups

The interview format differed depending on the number of participants being interviewed at one time, based on the similarity of their roles, or level of involvement in the process. Individual or paired interviews were conducted with HMT and most of the DfT officials within the sample. Each interview lasted up to 60 minutes.

In addition, two focus groups were conducted with DfT policy leads responsible for different modes of transport. As CRSTS is a cross-modal programme (spanning bus, active travel, rail and light rail as well as incorporating highways maintenance funding) these colleagues also had some involvement in the funding allocation process.

MCA focus groups

One focus group was conducted with each MCA. Focus groups were chosen as the most appropriate format to seek the feedback of MCAs. This was because the objective of these discussions was to understand a collective MCA view in relation to collaboration with DfT and HMT on CRSTS. Furthermore, focus groups enabled more efficient discussions to take place within a single session, as participants with varying involvement at different stages of the process could contribute during the same session. In addition, focus groups helped to ensure more complete coverage of the process, as MCAs were able to engage a range of colleagues as required, to mitigate potential issues of staff turnover. DfT were not invited to the MCA group discussions, to encourage an open and honest discussion, as there was a concern that MCAs may not want to affect their relationships with DfT in critiquing the process.

Each focus group lasted up to 90 minutes, with a maximum of five participants invited to each focus group. This group size ensured a balanced discussion between engaging with a breadth of participants and allowing enough time for all to contribute. Generally, fewer than five MCA colleagues participated in each focus group, as MCAs referred us to the core staff members who were available and best placed to contribute.

Participant engagement

To set up these interviews and focus groups, DfT initially engaged with participants to provide a letter of introduction. This was to introduce the role of Steer and encourage engagement with the evaluation.

Prior to carrying out the interviews, each participant confirmed the stages of the process that they were involved in. This enabled interviewers to prioritise the most relevant discussion topics and ensure a good coverage of perspectives across the different stages of CRSTS.

Analysis

The information shared by participants was synthesised to draw out key themes across stakeholders, rather than outlining individuals' experiences.

Following data collection, a workshop was held between Steer interviewers, to identify key themes that emerged during the interviews and focus groups. These key themes informed the development of an analysis grid. This method was selected as the most appropriate way to manage the amount of qualitative data that was generated through the participant discussions. The analysis grid listed key themes against each type of organisation involved in the process evaluation. To populate the analysis grid, transcriptions were reviewed to align information shared by participants – alongside associated quotes - to each key theme. The findings from this thematic analysis are summarised into this report.

Privacy and anonymisation

Participants were assured of anonymity in this report. Quotations have not been used, however, it is recognised that, due to the specialised roles of those involved and the relatively small number of participants, it may be possible to identify someone involved even without their name. However, this was avoided wherever possible by avoiding overly specific attribution or detail.

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