City Regional Sustainable Transport Settlements Process Evaluation - Case Study 3 Report: Delivery

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Report

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Prepared by:

Steer

67 Albion Street
Leeds LS1 5AA

+44 113 389 6400

www.steergroup.com

Prepared for:

Department for Transport

33 Horseferry Road
London
SW1P 4DR

Our ref: 24249001

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Executive Summary

Overview

The City Region Sustainable Transport Settlement (CRSTS) is a consolidated, long-term fund from the Department for Transport (DfT) to Mayoral Combined Authorities (MCAs) across England. The first round of funding (and the focus of this study) was made available to eight MCAs for investment in their local transport networks from April 2022 to March 2027. The fund was targeted at transport projects which addressed the following objectives:

- driving growth and productivity;
- decarbonising transport; and
- reducing regional inequalities.

CRSTS consolidated existing funds, as well as providing additional investment, over a five-year settlement period. This approach reflects a trend in recent years towards devolution of powers and funding to MCAs, reducing or removing the need to competitively bid for funding, and providing clarity with longer term funding settlements.

CRSTS reflected an innovative approach to funding programmes in this devolved context, providing MCAs with both greater autonomy and more funding certainty. It consolidated annual Integrated Transport Block, Highways Maintenance, and supplementary Potholes Fund at levels equivalent to 2021/22, providing longer-term funding certainty and the ability for MCAs to integrate maintenance and enhancement activities. CRSTS is also, effectively, the successor to the Transforming Cities Fund (TCF) for MCAs, and the final year of TCF payments for MCAs were consolidated within CRSTS.

£5.7 billion was allocated to MCAs and the first payments were made in April 2022. The recent Spending Review confirmed £15.6bn in funding for Transport for City Regions (TCR) settlements, which in many respects is a successor fund to CRSTS. However, the sole focus of this study is on CRSTS.

Objectives of this report

This case study focuses on delivery – specifically the strategies MCAs have deployed to help ensure successful delivery to date, and the effectiveness of arrangements between MCAs and DfT to balance the principles of devolution with the need for accountability and assurance.

The case study seeks to understand whether the delivery model of CRSTS has been flexible enough to allow project identification and development which aligns with local priorities. It also explores how the processes adopted for CRSTS have contributed to project delivery to date.

In addition, the report seeks to understand how delivery has been monitored and managed and what factors have either enabled or hindered effective monitoring and evaluation. In particular, it seeks to explore whether the mechanisms to

monitor and report on delivery, both locally and for DfT, are proportionate in balancing the objectives for devolution and accountability.

Research methodology

Steer was commissioned by the DfT to undertake the process evaluation. Research questions were developed in collaboration with the DfT at project initiation stage. These research questions were structured around three themes:

- Prioritisation – how projects were identified and prioritised, and how DfT, MCAs and LAs collectively arrived at an agreed programme
- Delivery – how partners managed the process of delivering schemes and managing their programmes
- Oversight – how scheme progress was monitored, and how partners handled the reporting requirements at various levels.

A qualitative research approach was taken, consisting of a combination of in-depth, semi-structured interviews with participants from DfT, MCAs and Local Authorities (LAs), as well as three thematic focus groups to gather depth and nuance. More details on the methodology can be found in the main body of the report.

Key findings and lessons learned

Below are the key findings to emerge from the thematic analysis of interviews and focus group discussions. These areas are explored in more detail in the main body of the report.

Early objectives and working arrangements were clear

Engagement between DfT and MCAs on CRSTS started early (as early as 2021 in some cases), enabling MCAs to begin focusing on developing the project pipeline in advance of CRSTS. This built on regular engagement already taking place during the delivery of TCF. This proactive approach and early start was welcomed and helped in preparing the ground for project and programme development.

Feedback from all MCAs was that the overall CRSTS objectives were clearly set out at the start. Working arrangements between the DfT and MCAs were also established early on through Memoranda of Understanding, which provided clarity to all parties, though as noted below later guidance did introduce some uncertainty into the process.

Political and external events hindered the prioritisation phase

Many consultees from national, regional and local government acknowledge that the programme development process took place at a turbulent time. External events like Covid-19 and a change of government from the Johnson administration to the Sunak administration during the prioritisation phase significantly impacted the CRSTS process and was a source of confusion, and consequently delay, at some MCAs.

MCAs highlighted that there were multiple government voices in the conversation, which they felt created uncertainty around decision making roles and

responsibilities. This included the involvement of political advisors whose level of involvement and scrutiny in the process was perceived as unexpected and challenging by MCAs.

Similarly, whilst the involvement of Active Travel England was mostly welcomed and ensured schemes met high standards, some MCAs and LAs felt the way in which their involvement led to schemes being scrutinised - though well intentioned - risked delaying schemes and affecting their viability.

Lead in times from confirmation of funding were too tight

Although early engagement was welcomed, most MCA stakeholders emphasised that once formal guidance was provided and funding allocations were confirmed, the timeline to develop and prioritise projects and move into delivery was incredibly tight.

One MCA stakeholder highlighted that they were "creating one of the biggest programmes we've ever had in the shortest timescales, which seemed quite counterintuitive."

MCAs and LAs felt this aspect of the programme underestimated the time required for local decision-making cycles, with projects requiring local engagement and sign off, before being agreed at the MCA/programme level. Ultimately, multiple LAs highlighted that these timelines limited their ability to develop stronger proposals, which they felt in some instances affected the quality of schemes included in the programme.

Maturity of MCAs had an impact

DfT stakeholders were consistently of the view that more established MCAs were able to mobilise quicker and work more efficiently in terms of both planning and delivery. This is reflected to some extent in the views of MCAs and LAs. Stakeholders in areas with more mature MCAs were more likely to say that processes for planning and delivering CRSTS built on established systems, whereas stakeholders from areas where MCAs were less well established were more likely to suggest that it took time for MCAs to evolve their approaches. This applied to factors including decision making systems, as well as maturing into a strategic leadership role. This was due to a range of factors including more mature relationships with LA partners (particularly where they had previously been a Passenger Transport Authority) and having existing transport plans/strategies and pipelines in place.

Strategic alignment of CRSTS objectives and MCA goals worked well but varied across areas

All MCAs understood that CRSTS prioritised investment in schemes which would enable wider regional opportunities like economic growth, housing, and employment. This allowed MCAs to prioritise projects that could help deliver broader regional development goals. This was reflected throughout the prioritisation process by DfT, with stakeholders acknowledging that the strategic rationale was a critical component of the process for them.

A few MCAs highlighted examples of where they had intentionally aligned CRSTS funding schemes with other local objectives to help achieve non-transport outcomes, including aligning CRSTS schemes with major growth corridors and focusing on improving connectivity to specific growth locations, helping to accelerate growth. However, some (and LAs in particular) felt that the timescales led to programmes essentially being a collection of disparate schemes which whilst individually good projects, lacked a coherence and link to wider objectives.

DfT was generally seen as a supportive and helpful partner

The CRSTS process was seen as flexible and adaptable to changing circumstances, and MCAs appreciated the flexibility to adjust the programme with a reasonable degree of autonomy.

Major scheme retention (whereby DfT retained oversight of specific schemes due to their scale or complexity) broadly worked well – whilst some MCAs found the approach onerous, there was broad recognition of the need for DfT to retain oversight of some schemes – particularly where there was an interface with the national road/rail network.

The re-baselining exercises (by which MCAs could update their programmes to account for rising costs) were also welcomed by all MCAs though some also noted that these were a resource-intensive exercise.

However, both MCA and DfT partners recognise that understanding roles and responsibilities in a devolved context is still work in progress.

Partners have different perspectives on the appropriate degree of oversight

From a DfT perspective, multiple stakeholders expressed a degree of concern about a lack of oversight of MCA programmes. DfT stakeholders indicated they would be reluctant to be fully removed from how MCAs prioritise programmes. Options mentioned as potential solutions to providing a degree of oversight included providing clear criteria or targets which programmes should meet, and outcomes frameworks against which success could be measured.

From an MCA perspective, whilst most MCAs felt the level of scrutiny was proportionate for CRSTS given the timing and the stage in devolution, the more established MCAs feel they have matured since the outset of CRSTS and there is an expectation that they will be trusted more to deliver future programmes such as TCR and Integrated Settlements. They expect this to be reflected in lighter touch monitoring and greater autonomy over prioritisation.

A five year programme brings clear benefits, but there are still challenges

A five year programme was welcomed and has helped MCAs to think longer term and more strategically, and to invest in their pipelines. As a result, many MCAs feel they are much better equipped to begin delivery early in TCR when compared to CRSTS.

However, some MCAs - particularly less well-established MCAs, without Integrated Settlements and other funding streams to draw on, see risks and challenges that a potential cliff edge or funding gap between CRSTS and any

successor programme presents. Early certainty around funding will enable them to plan accordingly and avoid disruption between funding rounds. The announcement of TCR funding after fieldwork for this study was complete should go a long way to addressing this issue.

Capacity and Capability Challenges[1] in MCAs and LAs

There was a general consensus amongst stakeholders that capacity at the start of CRSTS was a limitation in identifying and prioritising projects. This was true for both LAs and for MCAs. In both instances, there was a heavy reliance on consultancy support to bridge gaps in the early phases of CRSTS – particularly in supporting the prioritisation phase and business case development.

Whilst MCAs are generally perceived to have overcome these challenges as CRSTS has progressed, this is less true for many LAs for whom capacity to develop, deliver and monitor schemes remains very tight. In some instances, this reflects a concentration of resource in MCAs (who have recruited staff from local LAs), further limiting LA capacity. However, MCA and LA stakeholders also flagged capacity constraints at various stages of the process of getting projects into delivery, including legal and finance support, as well as a lack of specialist skills around scheduling, forecasting and project management.

There was quite broad consensus that LAs struggled to have both the capacity and capability to effectively prioritise projects. As reported by stakeholders, in some cases this lack of LA capacity has prevented LAs from contributing to project prioritisation.

As highlighted by a number of stakeholders, a large deal of training and support has been offered to LAs in the interim to help increase their capacity and capability, though there remains a strong reliance on consultants to manage the business case development process in some places.

Capacity funding is welcome, but could be more targeted

Stakeholders at all levels highlighted the critical importance of timely resource funding. While some MCAs reported that early access to revenue funding allowed them to effectively assemble teams and initiate prioritisation, others noted that the funding took some time to arrive, which led to delivery challenges. Stakeholders from both MCAs and the DfT acknowledged that capacity funding was not only essential but initially insufficient, impacting the early stages of project development and delivery under CRSTS.

Whilst DfT stakeholders consistently noted the variation in MCAs' maturity and capability, there was no objective mechanism or agreed metrics for assessing this.

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[1] DfT define **capacity** as the number of staff available to plan and deliver transport projects and **capability** as the skills, knowledge, and experience to deliver new projects and maintain the transport networks

The DfT's provision of Capacity Funding was seen as essential to increasing resource in MCAs (who in turn provided support to LAs), but some felt this could be more targeted to support MCAs who are newer or more constrained. MCA consultees discussed at the workshop whether DfT could further change how they allocate resource and capacity funding, though this would have to consider the needs of LA partners too.

Delivery built on established systems, but mobilising from a standing start was a challenge for most, if not all, MCAs

CRSTS built on existing foundations for delivery and reporting this to DfT. Transforming Cities Fund in particular was highlighted as having helped MCAs establish clear assurance processes, decision making routes and change management processes which were then applied for CRSTS.

Despite this, the vast majority of MCAs reported that early delivery was a challenge – some schemes in the programme were still in development, and most MCAs intentionally backloaded delivery so that the majority of construction activity takes place in the later years of the programme. However, this has made achieving delivery within the programme's timeframe challenging and in some instances led to the most deliverable schemes being prioritised over the most valuable (which is not to say the deliverable schemes were not valuable).

MCAs also flagged that a rigid end point for CRSTS meant that multiple major schemes would be in construction at the same time between now and the end of the five-year cycle in 2027, potentially leading to significant disruption to the network.

Most MCAs felt they had systems in place and an appropriate level of autonomy to manage monitoring and evaluation

Although the amount of dedicated monitoring and evaluation (M&E) resource varied across MCAs, MCAs felt they had sufficient resource and process in place to manage the programme. Some MCAs had dedicated staff, funded through CRSTS, whose primary focus was on CRSTS M&E. Other MCAs had less resource focussed primarily on CRSTS, but managed the reporting requirements alongside other commitments.

M&E was generally seen as robust, but some wanted more proportionality

Stakeholders viewed the reporting requirements for CRSTS as robust, and these reporting requirements reflected a similar approach deployed in TCF. Some MCAs reported that the additional funding for M&E within CRSTS had contributed to the development of more comprehensive approaches than on previous projects.

However, some stakeholders, particularly LAs, questioned whether the level of reporting required for some schemes was justified given the scale and focus of delivery. Specifically, multiple LAs raised the issue of reporting requirements linked to maintenance and renewal (M&R) programmes. Whilst in CRSTS M&R projects were expected to monitor impacts on the same basis as projects focused on strategic improvements, LAs struggled to define and measure the benefits of investments in this type of investment. They also felt this approach differed from

previous M&R programmes where there was less expectation from DfT to demonstrate impact of these more routine works.

A stronger feedback loop would be helpful for local stakeholders

Most participants were positive about communication through the programme. MCAs reported regular engagement with DfT which helped them to flag issues and challenges and ensure DfT were cited on progress. MCAs adopted differing approaches to engaging with LAs, but areas consistently had formal MCA boards or committees involving LAs to monitor programmes, and MCAs were often plugged into LA level processes.

LAs had limited directed contact with DfT through the programme and were broadly comfortable with this. However, they often reported being unclear on how monitoring and reporting they provided to MCAs were used by DfT and, in some cases, by the MCA. MCAs also reported a lack of visibility on how monitoring outputs were used and interpreted by DfT, and felt the reporting process could be more streamlined. More feedback from DfT on how reporting is used would likely be beneficial to local and regional partners.

1   Introduction

Introduction

Background to the Fund

1.1   The City Region Sustainable Transport Settlements (CRSTS) is an integrated fund from the Department for Transport (DfT) to Mayoral Combined Authorities (MCAs) across England. The first round of funding (the focus of this study) was made available to eight MCAs for investment in their local transport networks. The fund was targeted at transport projects which addressed the following objectives:

- driving growth and productivity;
- decarbonising transport; and
- reducing regional inequalities.

1.2   CRSTS consolidated existing funds, as well as providing additional investment, over a five-year settlement period. This approach reflects a recent trend towards devolution of powers and funding to MCAs, reducing or removing the need to bid for funding, along with longer term funding settlements.

1.3   The Fund consolidated annual Integrated Transport Block, Highways Maintenance, and supplementary Potholes Fund at levels equivalent to 2021/22, providing longer-term funding certainty and the ability for MCAs to integrate maintenance and enhancement activities. CRSTS is also, effectively, the successor to the Transforming Cities Fund (TCF) for MCAs, and the final year of TCF payments for MCAs were consolidated within CRSTS.

1.4   £5.7 billion was allocated to MCAs and the first payments were made in April 2022. The recent Spending Review confirmed £15.6bn in funding for Transport for City Regions (TCR) settlements, which in many respects is a successor fund to CRSTS. Whilst plans for TCR are progressing, the sole focus of this study is on CRSTS.

Objectives of this report

1.5   The first case study in the process evaluation of CRSTS focused on the collaborative process to allocate and agree funding between MCAs and central Government. The second case study was a process evaluation of the evaluation of the Transforming Cities Fund (TCF), to understand how lessons learned from TCF evaluation can be used to inform the design and delivery of the CRSTS evaluation.

1.1   This case study (case study 3) focuses on delivery – specifically the strategies MCAs have deployed to help ensure successful delivery to date, and the effectiveness of arrangements between MCAs and DfT to balance the principles of devolution with the need for accountability and assurance.

1.2   The case study seeks to understand whether the delivery model of CRSTS has been flexible enough to allow project identification and development which aligns

with local priorities. The study also seeks to understand the delivery of projects under CRSTS and how the approaches deployed in the design, management and governance of CRSTS have contributed to project delivery to date.

1.3   In addition, the report seeks to understand how delivery has been monitored and managed and what factors have either enabled or hindered effective monitoring and evaluation. In particular, it seeks to explore whether the mechanisms to monitor and report on delivery, both locally and for DfT, are proportionate in balancing the objectives for devolution and accountability.

1.4   With this in mind, three key research themes and ten research questions were identified. This report is structured thematically, consolidating findings from all research strands to reflect findings on each theme in a synthesised manner.

Research questions

1.5   The research themes and research questions (RQs) for this study are summarised below.

Prioritisation
- **RQ1:** To what extent has CRSTS enabled plans which fit local and regional priorities, and aligned with other development (e.g. housing, employment, economic opportunities) with the aim to create local growth?
- **RQ2:** How has local leadership and support (e.g. local MPs, mayors, councillors) affected scheme delivery and alignment of priorities?
- **RQ3:** How have MCAs approached prioritisation of work? What approaches have worked? What metrics or decision-making tools have MCAs used?

Delivery
- **RQ4:** How do MCAs and LAs feel about their capacity and capability to deliver CRSTS at a programme and individual scheme level?
- **RQ5:** What are the more and less successful aspects of MCAs' engagement strategies with their constituent local authorities?
- **RQ6:** How have MCAs' delivery plans changed since inception? Does CRSTS allow adequate flexibility (e.g. through re-baselining) to enable MCAs to adapt plans as needed?

Oversight
- **RQ7:** How do stakeholders feel about the current level of oversight and scrutiny from DfT? Does it feel proportionate? Would stakeholders welcome more/less/the same oversight?
- **RQ8:** How have stakeholders handled the reporting requirements of CRSTS? How have they approached these requirements alongside requirements for parallel funding streams and managed their working relationship with DfT and the Ministry for Housing, Communities and Local Government (MHCLG)?
- **RQ9:** What role has DfT played to date (in delivery) and what role should DfT play going forward?
- **RQ10:** How have stakeholders found oversight, scrutiny and governance for retained schemes? How does this compare to the full CRSTS programme?

1.6   These research questions were developed in collaboration with DfT as part of the case study scoping process.

Policy background and external events

1.7   CRSTS was introduced in the context of the **National Infrastructure Strategy**, which was delivered in November 2020. The National Infrastructure Strategy concluded that the quality of local transport networks in city regions, outside of London, has held back regional productivity and is a key factor in these city regions lagging behind international comparators. CRSTS was introduced in part to address this and accelerate investment in regional transport networks.

1.8   CRSTS was delivered in the context of a changing policy background and numerous external events. These factors have affected the delivery of CRSTS and provide context to the findings synthesised in later sections.

1.9   A large proportion of the CRSTS prioritisation process and part of the early delivery process was carried out during the Covid-19 pandemic. The Covid-19 pandemic (and in particular the Covid lockdowns between 2020 and 2021) changed the way that MCAs, government and local authorities could interact with one another.

1.10   Several changes of UK government occurred during the development and delivery of CRSTS. Twice in 2022 and once in 2024, the government of the UK changed. Each of the four governments had different priorities in relation to transport. However, CRSTS remained consistent; providing consolidated, long-term capital funding settlements from tax year 2022 to 2023 to 2026 to 2027.

1.11   CRSTS was also delivered in the context of changes in the devolution process and growing maturity of MCAs. In February 2024, the North East Combined Authority became an MCA, although the area had a strong history of partnership working. In contrast, Greater Manchester Combined Authority had existed for 14 years at that point.

Methodological approach

1.12   A full method statement is set out in Appendix A. In summary, the following primary research was undertaken:

- 12x interviews with DfT stakeholders
- 9x interviews with Mayoral Combined Authority stakeholders
- 13x interviews with Local Authority stakeholders
- 3x online focus groups with MCAs:
    - o   Prioritisation theme (6 attendees)
    - o   Delivery theme (8 attendees)
    - o   Oversight theme (8 attendees)

1.13   Outputs from this fieldwork were analysed and synthesised to identify the findings detailed in the rest of this report.

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2 Prioritisation

2.1 This chapter presents the key findings from how MCAs and DfT approached the process of identifying and prioritising schemes for inclusion in CRSTS.

Table 1: Summary of Prioritisation Findings

Theme	Description
Strengths of the process	• **Early engagement and pipeline development was beneficial**: Engagement with DfT started early (as early as 2021 in some cases), focusing on developing a transport pipeline in advance of CRSTS. This proactive approach helped in preparing for future funding opportunities. • **Strategic alignment of CRSTS objectives and MCA goals worked well**: CRSTS objectives allowed for investments in schemes which would enable wider regional opportunities like economic growth, housing, and employment. This allowed MCAs to prioritise projects that could help deliver broader regional development goals. • **Flexibility and adaptability of DfT:** The CRSTS process was flexible and adaptable to changing circumstances, and MCAs often provided change requests. This allowed for adjustments to the programme without rigid adherence to initial plans. The rebaselining exercises were also welcomed by all MCAs. The DfT's provision of capacity funding was also essential to bring in resource to support the process in MCAs and partner LAs where resource was particularly tight. • **Active Travel England involvement meant schemes were improved, swapped or dropped:** ATE's oversight of schemes was mostly welcomed and allowed LAs/MCAs to introduce schemes that aligned well with more strategic connections. Schemes themselves were scrutinised to ensure that they were up to standard.
Weaknesses of the process	• **Multiple government voices caused some issues**: MCAs reported multiple engagement points with government, which complicated guidance and caused challenges in prioritisation. There was also in some instances a lack of understanding of local processes at MCA level. This appeared to rectify itself as the programme progressed but was a common issue at the earlier stages. • **Capacity and capability were issues**: Sustained capacity funding is essential, and both MCAs and LAs faced challenges in terms of resource planning and capability. Capacity Funding was a huge help, but took a while to arrive.
What could be improved?	• **Communication and engagement between all parties:** Improved communication and engagement with DfT, MCAs and LAs are essential for future programmes like TCR. This includes understanding the local context, and building time into programmes to accommodate for going through project boards, committees etc. • **Revised approach to scheme prioritisation:** It was noted that DfT were slightly concerned about taking a less active role in how schemes were prioritised, and had to put a lot of faith that the 'right' schemes were being delivered that would have a positive impact. There is potential to develop a framework around prioritisation to provide more guidance on what DfT expect in terms of programme outcomes. • **Adjusting how RDEL Funding is allocated:** DfT could further change how they allocate the RDEL funding, adjusting the formula to make it in favour of MCAs that are less capable than others to help them progress. This would require the establishment of a process to determine the relative capacity / capability of MCAs, and would also have to consider potential impacts on LA capacity funding.

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The prioritisation process

Programme objectives and working arrangements

2.2 Engagement between DfT and MCAs started early (as early as 2021 in some cases), enabling MCAs to begin focusing on developing the project pipeline in advance of CRSTS. This proactive approach and early start was welcomed by most MCAs, and helped in preparing the ground for project and programme development.

2.3 Feedback from all MCAs was that the overall CRSTS objectives were clearly set out from the start. Working arrangements between the DfT and MCAs were also established early through Memoranda of Understanding, which provided clarity to all parties.

2.4 A number of national and regional stakeholders referred to the formal guidance provided by DfT, which helped establish objectives for the CRSTS programme and prioritise projects, by providing a clear description of objectives schemes were expected to deliver against (the three primary objectives were economic growth, reducing regional disparities and decarbonisation). This matched responses from MCA stakeholders about the objectives of the scheme. MCAs reported finding this guidance useful in guiding early discussions around longlisting schemes.

> "[DfT] provided [MCAs] with high level objectives, so the three objectives of the fund at the time were growth, levelling up and decarbonisation." - MCA stakeholder

2.5 However, many MCAs highlighted that as time progressed, objectives and guidance from DfT became more specific. This introduced some uncertainty around what could and could not be included, with greater emphasis on sustainable transport modes and an indication that road schemes would not be viewed favourably, for example. MCAs reported that this caused some challenges in the prioritisation process. Some MCAs reported that the gradual accumulation of guidance ultimately led to confusion. This led to difficult political discussions and changes of project prioritisation to match the more specific objectives of the scheme.

> "Specific guidance led to quite difficult discussions which probably came too late in the day". – MCA stakeholder

The political and external environment

2.6 Many consultees from national, regional and local government acknowledge that the programme development process took place at a turbulent time. External events like Covid-19 and a change of government from the Johnson administration to the Sunak administration during the prioritisation phase impacted the CRSTS process and was a source of confusion, and consequently delay, at some MCAs.

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2.7   MCAs highlighted that there were multiple government voices in the conversation, which they felt created uncertainty around decision making roles and responsibilities. This included the involvement of political advisors whose level of involvement and scrutiny in the process was perceived as unexpected and challenging by MCAs.

2.8   Whilst the involvement of Active Travel England was mostly welcomed and ensured schemes met high standards, some MCAs and LAs felt the way in which their involvement led to schemes being scrutinised - whilst well intentioned - risked delaying schemes and causing viability issues. Both national and regional stakeholders suggested that ATE could have applied more pragmatism in their approach to a devolved programme, with multiple MCAs suggesting a "purist" approach would have meant otherwise good schemes may not have progressed.

Strategic alignment of objectives

2.9   All MCAs understood that CRSTS prioritised investment in schemes which would enable wider regional opportunities like economic growth, housing, and employment. This allowed MCAs to prioritise projects that could help deliver broader regional development goals. DfT stakeholders consistently emphasised that this strategic alignment was a critical part of their approach to prioritisation.

2.10   Multiple MCAs highlighted how CRSTS has enabled investments that align with broader regional objectives. One described how they had used logic mapping to connect transport schemes to wider economic and environmental outcomes. Others reported aligning CRSTS schemes with major growth corridors, aligning naturally with regional development priorities, or focused on improving connectivity to specific growth locations, helping to accelerate growth.

2.11   However, the extent of alignment varied. One MCA acknowledged that CRSTS helped integrate transport with wider policy areas, but they also pointed to challenges such as tight timelines and evolving guidance that limited strategic alignment. Many LAs concurred with this view, suggesting that the timescales led to programmes essentially being a collection of disparate schemes which, whilst individually good projects, lacked a coherence and link to wider objectives.

The impact of MCA maturity on prioritisation

2.12   DfT stakeholders were consistently of the view that more established MCAs were able to mobilise quicker and work more efficiently. Factors that influenced this were:

- Internal resource within MCAs and partner LAs to collate, assess and prioritise schemes;
- More mature relationships with LA partners (particularly where they had previously been a Passenger Transport Executive responsible for transport policy and expenditure in urban areas); and
- Having existing transport plans/strategies and pipelines in place on which to draw.

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2.13   This is reflected to some extent in the views of MCAs and LAs. Stakeholders in areas with more mature MCAs were more likely to say that processes for planning and delivering CRSTS built on established systems, whereas stakeholders from areas where MCAs were less well established were more likely to suggest that it took time for MCAs to evolve their approaches. This applied to factors including decision making systems, as well as maturing into a strategic leadership role.

2.14   Newer MCAs often lacked these characteristics and so were perceived to start from a weaker position. DfT stakeholders highlighted that the variation in maturity had a significant impact on how effectively MCAs were able to prioritise projects in negotiation with LA partners, and how quickly they could move into delivery.

Capacity and capability constraints

2.15   There was quite broad consensus that LAs struggled to have both the capacity and capability to effectively prioritise projects. As reported by stakeholders, in some cases this lack of LA capacity has prevented LAs from contributing to project prioritisation. Multiple stakeholders from both MCAs and LAs also reported that a lack of LA capacity reduced the quality of schemes being identified and brought forward for prioritisation.

2.16   As highlighted by a number of stakeholders, a large deal of training and support has been offered to LAs in the interim to help increase their capacity and capability, though there remains a strong reliance on consultants to manage the business case development process in some places.

The importance of capacity funding

2.17   Stakeholders at all levels highlighted the critical importance of timely resource funding. While some MCAs reported that early access to revenue funding allowed them to effectively assemble teams and initiate prioritisation, others noted that the funding took some time to arrive, which led to delivery challenges. Stakeholders from both MCAs and the DfT acknowledged that capacity funding was not only essential but initially insufficient, impacting the early stages of project development and delivery under CRSTS.

2.18   Whilst DfT stakeholders consistently noted the variation in MCAs' maturity and capability, it was subjective and one stakeholder noted that DfT did not have an objective method for assessing the relative capacity and capability levels of different MCAs.

2.19   This is important as there were suggestions that DfT could further change how they allocate resource and capacity funding. The DfT's provision of capacity funding was seen as essential to increasing resource in MCAs but some felt this could be more targeted to support MCAs who are newer or more constrained.

2.20   MCAs, in turn, provided capacity funding to their LA partners to support their own internal capacity to develop schemes and deliver business cases. Whilst this issue was not specifically discussed with all MCAs, it appears that there was broad consistency in MCAs providing capacity funding to LAs, and that this was welcomed by LAs who universally reported facing capacity constraints.

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Stakeholders and collaboration

Devolution and autonomy

2.21 The approach to CRSTS was considered appropriate by most in the context of devolution still being relatively new for programmes of this scale. It was recognised by MCA and DfT stakeholders that DfT adapted their approach over time to provide greater autonomy and trust in MCAs/LAs to manage and adapt their programmes effectively.

2.22 Whilst there was an overall positive working relationship between DfT and MCAs, there were some conflicting views as to how far the process of prioritisation was truly devolved, and who had the final say on which schemes were to be included in programmes. Both national and regional stakeholders described the prioritisation process as collaborative, with one MCA saying this pushed them to be more ambitious in their programme.

2.23 Some DfT stakeholders felt MCAs were given extensive freedom to prioritise schemes within the agreed parameters of the programme. However, some DfT stakeholders report a degree of consternation over the level of devolution in the programme, which resulted in them feeling less well sighted on programme and prioritisation decisions when compared to previous programmes. To a large extent, this likely reflects the fact that this level of devolution in a programme of this scale was new to all parties, and required new approaches to ensure DfT enabled devolved decision making whilst also ensuring value for money at the programme level. This led to some tension in finalising programmes and balancing the final decision making responsibilities between DfT and MCAs.

Finalising prioritisation decisions

2.24 Many stakeholders from DfT in particular recognised that the final decision about which schemes were included ultimately rested with central Government, despite the devolved nature of the programme. Whilst final decision making responsibilities did rest with DfT and HMT, and despite some tensions outlined above, most MCAs reflected that the process of getting to that stage was collaborative and as such they felt engaged in that final decision making process.

2.25 From a local authority perspective, they often reported being one step removed from discussions between DfT and MCAs. As a result of this, LAs were more likely to perceive the MCA as having the final say rather than DfT. LAs recognised this reflected the increasingly prominent role that MCAs have played as devolution has continued. However, a number reported that they would have valued the opportunity to advocate for their schemes in discussions between DfT and MCAs where prioritisation decisions were made without them in the room.

"(We) would have valued more direct engagement with DfT... to set out the ambition and the intention." – LA stakeholder

Confirmation of programmes

Lead in to delivery

2.26 Although engagement started early and the programme's objectives were well understood, the period between funding allocations being confirmed in June 2022 and final plans being submitted in September 2022 was very tight in the views of all MCAs. This problem was particularly acute for newer MCAs, or those who had not previously been a Passenger Transport Authority, but was true for all – particularly as it coincided with the summer period.

> "We were creating one of the biggest programmes we've ever had in the shortest time scales, which seemed quite counterintuitive." – MCA stakeholder

2.27 Many MCAs and LAs acknowledged that many schemes were not well developed at this stage and lacked detail. In some instances, MCAs reported that this led to a focus on projects which were more developed and deliverable, as opposed to those which could have had the greatest strategic impact.

2.28 MCAs and LAs consistently felt this aspect of the programme underestimated the time required for local decision-making cycles, with projects requiring local engagement and sign off, before being agreed at the MCA/programme level. Some LAs expressed frustration with slow governance processes at MCAs at this stage, which some perceived as duplicating local governance. Conversely, others recognised the need for these layers of decision making but acknowledged that time for this needs to be built into the process.

Ultimately, multiple LAs highlighted that these timelines limited their ability to develop stronger proposals. With more time, these LAs felt schemes included in the programme could have been developed more robustly, or other schemes could have been included which could have delivered greater impact or benefit within the parameters of the programme.

3 Delivery

3.1 This chapter presents the key findings from how DfT, MCAs and LAs approached the process of delivering the CRSTS programme.

Table 2: Summary of Delivery Findings

Theme	Description
Strengths of the process	• **CRSTS has established mechanisms for delivering major programmes in a devolved context**, which has been broadly welcomed by partners and provided a basis for future engagement via Integrated Settlements. • **The opportunity to rebaseline programmes was welcomed**, as was the ability to overprogramme and for MCAs to have the flexibility to shape their programmes according to changing needs within a defined framework. • **A five-year programme was welcomed and provides clarity**, and has helped development of TCR, with MCAs using CRSTS to invest in pipeline development. It also is supporting MCAs to think longer term and more strategically.
Weaknesses of the process	• **Capacity to deliver was a challenge,** including within MCAs in some instances but particularly in LAs. This reflects a general loss of capacity and capability in LAs over the years, but also particular support services such as legal, finance, etc. • **Short lead in times**, combined with C&C challenges, led to a focus in some instances on projects which were not as strategic or transformational as they could be. • Despite the ability to rebaseline being welcomed, the **challenges around inflation and increasing costs were frequently mentioned**. The rebaselining process was viewed as quite intensive, and some consideration could be given to what other mechanisms may be available to manage increasing costs over the course of a five-year programme.
What could be improved?	• **Issues around increasing costs** were a frequently cited issue. Access to better intelligence and forecasting around future costs would be valuable in helping to mitigate this and ensure more accurate costings up front. • **Longer lead in times** should be allowed between agreement of programmes and beginning of delivery (though potentially not as big an issue for TCR among MCAs who received CRSTS funding, this may cause an issue for other new MCAs who were not part of CRSTS). • **Recognising the different maturity levels of MCAs** – for more mature areas, this could mean greater flexibility/autonomy; for less mature areas, it could mean access to additional support (e.g. guidance from DfT or a mentor from a more established MCA, or a greater share of capacity funding).

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From planning to delivery

Mobilisation

3.2   For newer MCAs, the lack of an established and developed pipeline made early delivery a challenge – as noted above, many schemes in the programme required further development even for more established MCAs. As a result, most MCAs reported that they intentionally backloaded delivery into the later years of the programme.

3.3   It was also broadly acknowledged that the scale of CRSTS was a substantial increase in the scale of delivery for most MCAs and their partners, which presented challenges in scaling up and represented new responsibilities for MCAs.

"We're not set up as mature delivery organisations who have been doing the big capital infrastructure projects for years and years"- MCA stakeholder

Evolution of programme management processes

3.4   CRSTS built on existing foundations for monitoring delivery and reporting this to DfT. In particular, the Transforming Cities Fund was highlighted as having helped MCAs establish clear assurance processes, decision making routes and change management processes which were then applied for CRSTS.

3.5   Many MCAs reported that their processes around assurance and internal oversight had continued to evolve as CRSTS was delivered. This reflected both their increasing maturity, and the scale and lengthy delivery period of CRSTS. It also reflected that efforts to improve governance processes had helped to increase efficiencies and guarantee deliverability of CRSTS projects.

3.6   Some LA and MCA stakeholders viewed governance processes as inefficient and duplicative, early in the programme, though many acknowledged that this has reduced. Many LAs felt that processes put in place to oversee programme delivery were, at least to begin with, overly burdensome and bureaucratic. Some highlighted that delivery at this scale was new to MCAs and that the majority of delivery capacity was actually in the districts. Many LAs felt they already had very strong governance in place to manage the delivery of large capital programmes, and early governance structures around CRSTS risked duplicating this.

3.7   A small number of DfT stakeholders corroborated that MCAs had developed their processes to better deliver CRSTS, recognising that this had improved over time.

"As a result of scale of CRSTS funding … [MCAs] have made changes around internal structures, both to manage reporting and the assurance of projects … [creating] more streamlined processes as well as improved scrutiny of some of those capital projects".

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3.8   Many now report working relationships and structures which are more streamlined. Effective mechanisms have included programme boards which bring together LA representatives and the combined authority to develop a collective view of programme delivery and identify shared challenges. Additionally, some reported positively that MCAs were now members of LA-level delivery boards, providing them with regular touch points and reducing the need for separate forums.

Change management processes

3.9   MCAs were generally perceived to have had a high degree of autonomy to manage changes to their programmes. A small number of stakeholders from DfT and MCAs highlighted the ability for MCAs to make changes under certain thresholds, though DfT approval was still required if new schemes were introduced, or there were significant changes to scope, costings or delivery timelines. However some MCAs did desire more flexibility to make larger changes without DfT approval – particularly highlighting that change requests to DfT often led to delays.

3.10   One MCA stakeholder highlighted that the time taken for DfT to review change control requests has decreased from 9 months to 3 months between their first and most recent change requests, but DfT reportedly continue to seek to improve the process – particularly as the end of the programme approaches. A DfT stakeholder noted that change controls were currently being reviewed with a view to being more agile, particularly as the last two years of the programme approached and delivery on the ground increased.

3.11   Similarly, many LAs reported issues with assurance processes and change management processes in working with their MCA. Whilst most recognised that MCA processes had improved as the programme had evolved, many reported experiencing significant delays to securing approvals – both at business case stage and for change requests.

3.12   Some MCAs acknowledged challenges in this space, but highlighted how the change control process was being changed to speed up the process and reduce the delays it adds to delivery. Successful approaches include building more routine change requests into quarterly highlight reporting processes, enabling progress to be maintained without substantial delay.

Balancing programme oversight and devolution

3.13   From a DfT perspective, multiple stakeholders noted the challenge in finding the balance between devolving funding and responsibility and retaining departmental oversight of the programme as a whole. In this context, some DfT stakeholders expressed a degree of concern about a lack of oversight of MCA programmes and indicated they would be reluctant to be fully removed from how MCAs prioritise programmes. Options mentioned as potential solutions to providing a degree of oversight included providing clear criteria or targets which programmes should meet, and outcomes frameworks against which success could be measured.

3.14   From an MCA perspective, whilst most MCAs felt the level of scrutiny was proportionate for CRSTS given the timing and the stage in devolution, the more

established MCAs feel they have matured since the outset of CRSTS and there is an expectation that they will be more trusted to deliver in future programmes such as TCR and Integrated Settlements. They expect this to be reflected in lighter touch monitoring and greater autonomy over prioritisation.

Benefits and challenges of a five-year programme

3.15   A five-year programme was welcomed by all MCAs and LAs for the clarity and funding certainty it provides. MCAs report that this has helped them to think longer term and more strategically, and to invest in their pipelines. As a result, many MCAs feel they are much better equipped to begin delivery early in TCR when compared to CRSTS.

3.16   However, some MCAs - particularly less well-established MCAs, without integrated settlements and other funding streams to draw on, still see risks and challenges arising from a potential cliff edge between when CRSTS deliver ceases and TCR delivery begins. These MCAs expressed concern that the lack of funding certainty inhibited their ability to plan and contract future phases of work, potentially resulting in some projects facing a "stop/start" scenario.

3.17   Multiple MCAs also flagged that a hard deadline to deliver CRSTS schemes by 2027, combined with the backloading of programmes, meant that multiple major schemes would be on the ground at the same time between now and the end of the five-year cycle in 2027, potentially leading to significant disruption to the network.

Rebaselining programmes

3.18   There were two stages at which MCAs were able to rebaseline their programmes, which involved resetting the expected/baseline schedule for the programme in response to delays or change in scope/circumstances. This was seen as valuable by MCAs – particularly as initial programmes involved a high degree of uncertainty and the delivery period coincided with inflationary pressures in the wider economy. Others felt it also provided an opportunity to ensure programmes remained aligned to wider growth objectives and reflected updated assessments of scheme deliverability.

> "The opportunity to revisit the programme in the context of increasing costs ... was something that was seen as a   positive." – MCA stakeholder

3.19   Some MCAs felt that more regular (perhaps annual) opportunities to rebaseline could be valuable. However, others felt the process was resource intensive and doing this more frequently could draw resources away from delivery, making it counterproductive.

Overprogramming

3.20   Overprogramming is a well-established mechanism designed to provide flexibility and to ensure that best use is made of available funding. It involves allocating additional projects/expenditure above budget to allow flexibility so that if certain

project/s slip, budget for the time frame will still be utilised. All MCAs overprogrammed to varying degrees. There was strong consensus from MCAs that the ability to over-programme helped them to maintain momentum and adapt as circumstances changed. This was particularly valuable over a five-year programme where much has changed.

"It has been useful to be able to carry over programming on the programme, so that allows a degree of flexibility in terms of what we can prioritise in the existing programme." – MCA stakeholder

3.21 The extent of overprogramming varied considerably. One newer MCA initially overprogrammed by 145% to ensure they had sufficient flexibility to be confident of delivery. Others, including some more established MCAs went as low as 11% though both more and less-established MCAs suggested that around 25% overprogramming would likely be the norm in any successor programme.

Capacity and capability constraints

3.22 Capacity constraints in LAs and MCAs were consistently flagged as challenges in mobilising activity. This included specialist capacity to develop and manage projects. As noted in chapter 2, in the case of LAs in particular, this capacity gap persists.

3.23 Some LAs reported that there remains a heavy reliance on consultants to plug this gap. Whilst this provides short term capacity and capability, an overall lack of capacity within LAs inhibits their ability to upskill existing staff and build these capabilities internally. The time-limited funding was mentioned by multiple LAs as one reason why they have not recruited permanent capacity to plug these gaps.

"Some of our local authorities have struggled with the capability and capacity to deliver schemes, so we've had to take on some of that directly ourselves". – MCA stakeholder

3.24 Within MCAs, several stakeholders reported a lack of internal capability in relation to quantity surveying, including schedulers and cost managers. They reported that the lack of these skills inhibited their ability to manage the programme and project costs.

"Project management I think, is something that we could do with extra capacity on... We could do with more engineers to be able to try and deliver some of the smaller schemes... there's been a bit of a backlog or jam with those." – LA stakeholder

3.25 Multiple LAs and MCAs highlighted capacity gaps in multiple enabling services critical to mobilising projects. This included:

- Legal support to progress funding agreements and contracting
- Procurement of support for delivery
- Communications and stakeholder engagement to lead consultation activity
- Finance support

3.26 A lack of capacity in these areas, which in many instances remain constrained, was reported by many MCAs as severely limiting their ability to deliver and slowing down early progress on delivery. However, there were examples of where partners in an MCA area had worked collaboratively to share such resources to enable delivery to proceed. This included drawing on procurement frameworks in place in one LA for the benefit of others in the MCA area.

> "Cross-working across the districts has been useful. Where some have maybe got more resource and procurement frameworks these have been able to be shared and utilised by other districts as well, which has been a really useful element for delivery." – MCA stakeholder

3.27 Overall, however, these issues have made achieving delivery within the programme's timeframe challenging and in some instances led to the most deliverable schemes being prioritised over the most valuable (which is not to say the deliverable schemes were not valuable). Some LAs and MCAs also highlighted that backloading the programme meant having multiple large schemes in delivery at the same time as the programme deadline approaches. They flagged a risk that this could have negative impacts on the network.

3.28 A number of LAs drew a distinction between maintenance and renewal work which they saw as business as usual and able to resource, and investment in wider, strategic projects. For the latter, they did not necessarily have capacity in their teams to manage and deliver this work, and the time-limited nature of it meant they were reluctant to recruit to fill roles dedicated to this.

Stakeholders and collaboration

The role of DfT

3.29 DfT were viewed by most MCAs as a helpful and trusted partner during delivery. MCAs reported having regular (mostly monthly) meetings with DfT. They valued these regular touch points but also stressed that conversations were much more frequent than that, providing frequent opportunities to share insights and address any issues. The role of area teams was highlighted by many MCAs as a strength in building understanding of what is happening locally and sharing this across government.

3.30 MCAs valued site visits as an opportunity to share progress and explain how schemes contribute to wider growth objectives. The extent to which these happened varied from place to place and some MCAs perceived inconsistencies in the extent to which area contacts were hands on and engaged. On the whole,

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however, DfT area teams were seen as supportive partners who were keen to advocate for their area in central government.

3.31   Some MCAs recognised that the CRSTS engagement was less intensive than on other schemes. They felt this reflected the increased level of autonomy they had over CRSTS in comparison to other recent funding streams. The Levelling Up Fund was cited as an example where central government had been more hands on, but MCAs valued the lighter touch engagement on CRSTS whilst still having regular touch points with government.

The approach to retained schemes

3.32   Most MCAs and DfT stakeholders felt the process of scheme retention (whereby DfT retained oversight of specific schemes due to their scale or complexity) was effective. Both MCAs and DfT acknowledged that there is a difficult balance to strike between devolving responsibility and retaining oversight of significant or complex schemes.

3.33   Although some MCAs found the additional reporting requirements for retained schemes somewhat onerous, there was broad consensus on the need for DfT to retain oversight of high risk, highly complex schemes – for example those which interact with the strategic road or rail network. There was less consensus on whether schemes should be retained due to the scale or profile of investment. For some (particularly more mature MCAs, but this view was also present among some DfT stakeholders), there is a desire for a more trusting and devolved approach to programme management, particularly where MCAs have demonstrated their ability to manage large, complex schemes effectively.

4   Oversight

4.1   This chapter presents the key findings from how DfT, MCAs and LAs approached the process of monitoring and overseeing CRSTS delivery.

Table 3: Summary of Oversight Findings

Theme	Description
Strengths of the process	• **M&E funding:** A number of stakeholders have reported that the additional funding for M&E within CRSTS has allowed them to develop their M&E output and carry out more robust M&E than on previous projects. • **Proportionality:** Many MCAs felt the approach to monitoring from DfT was proportionate to the scale of CRSTS and reflected the devolved context in which it was operating. LAs often held differing views, particularly when considering monitoring of maintenance and renewal schemes.
Weaknesses of the process	• **DfT clarity:** A few MCAs brought up that the clarity of what monitoring outputs needed reporting from DfT was limited at times; a few MCAs brought up that they were not sure what the DfT used the quarterly monitoring outputs for and whether these were used to inform decisions at a national level. • **Learning and sharing:** A few MCAs brought up that there was not a regular forum for MCAs to share with each other and learn from one another. This is something they would value and would help in future development. • **Limited DfT/LA engagement:** Some LAs felt some direct communication with DfT would have been helpful in understanding what was expected of MCAs and LAs and their respective roles in delivery and oversight. • **Risk of duplication among LAs and MCAs:** Particularly in the early stages of the programme, reporting arrangements at local, regional and national levels were not always well aligned and integrated. This has however improved as the programme has progressed. • **Monitoring of maintenance and renewals funding -** LAs in particular reported challenges in defining (and therefore monitoring) impacts of maintenance and renewal work which they viewed as routine.
What could be improved?	• **Efficiency of reporting:** A few MCAs highlighted that the process of transferring information to the DfT was not streamlined and added extra resource cost to the monitoring process. • **Feedback on use of monitoring data:** A stronger feedback loop between DfT and MCAs would help MCAs and LAs know how their monitoring data is used in DfT. This would build greater buy-in among MCAs in reporting, and would also help them understand their own performance and contribution to overall programme objectives more effectively.

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The oversight & scrutiny process

Proportionality of M&E approaches

4.2   Stakeholders viewed the reporting requirements for CRSTS as robust, and as reflecting a similar approach to TCF. Some MCAs reported that the additional funding for M&E within CRSTS had contributed to the development of more comprehensive approaches than on previous projects. This included in some instances creating additional posts dedicated to M&E support for CRSTS.

> "CRSTS was somewhat novel in that being a very large programme we've been able to carve out capacity for M&E support that's more dedicated than we've been able to do previously"- MCA stakeholder

4.3   Some DfT stakeholders did perceive variations in the extent to which MCAs were able to manage reporting requirements. As with other themes, those more mature and well-established MCAs were perceived by some in DfT to be more equipped in this space,

> "I think [oversight and scrutiny] was a mixed bag. I think some of them struggled"- DfT stakeholder

4.4   From most MCAs' perspective, the reporting systems in place with DfT were proportionate given the scale of funding and level of devolution. MCAs also broadly agreed that the processes were sufficient to give DfT appropriate oversight of the programme.

The inclusion of maintenance and renewal programmes

Some stakeholders, particularly LAs, questioned whether the level of reporting required for some schemes was justified given the scale and focus of delivery. Specifically, multiple LAs raised the issue of reporting requirements linked to maintenance and renewal (M&R) programmes on the same basis as projects focused on strategic improvements.

Whilst in CRSTS M&R projects were expected to monitor impacts on the same basis as projects focused on strategic improvements, LAs struggled to define and measure the benefits of investments in this type of investment. They also felt this approach differed from previous M&R programmes where there was less expectation from DfT to demonstrate impact of these more routine works.

4.5   Given established resource constraints in LAs, multiple stakeholders reported that reporting systems had been overly burdensome to the extent it impacted on the ability to deliver schemes.

4.6   Overall, MCAs felt the level of scrutiny was proportionate for CRSTS, given the timing and the stage in devolution. Moving forwards, as they continue to mature and move towards Integrated Settlements there is an expectation from more

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mature MCAs in particular that monitoring will be lighter touch. With this in mind, one MCA stakeholder suggested that DfT could have moved towards a readiness review approach to establish MCA's capacity and capability to deliver programmes rather than focusing on project level delivery. This approach is being deployed as Integrated Settlements are rolled out, with areas undergoing a series of checks to ensure that MCAs have sufficient systems in place in relation to strategy and governance; financial and performance management; reporting and evaluation; and people and capability.

Capacity and capability constraints

M&E resourcing

4.7 Although the amount of dedicated M&E resource varied across MCAs, MCAs felt they had sufficient resource and process in place to manage the programme. Some MCAs had dedicated staff, funded through CRSTS, whose primary focus was on CRSTS M&E. Other MCAs had less resource focussed primarily on CRSTS, but managed the reporting requirements alongside other commitments.

4.8 From an MCA perspective, there was broad consensus that LA resource (capacity and capability) to deliver timely reporting was limited. As a result, a few MCA stakeholders emphasised that LA capacity and capability issues were the cause of bottlenecks in ensuring monitoring data was collected and reported in time to meet DfT reporting requirements.

4.9 There were differing views as to whether these challenges were primarily a result of capacity challenges, or whether it was because roles and responsibilities were unclear. Many noted a lack of resource at LA level to manage the reporting requirements, and some suggested that LAs may not have allocated budget for M&E in developing their plans.

> "It was unclear [to LAs] that they actually needed to do [M&E] … some had the assumption that the MCA would do it all" – LA stakeholder

Stakeholders and collaboration

The importance of strong communication

4.10 Both MCA and LA stakeholders consistently acknowledged the need for strong communication and governance processes between them. They established various mechanisms to manage this process, as described in the Delivery chapter. This included co-opting MCA officers onto local delivery boards, and establishing dedicated boards to bring LA officers together to provide shared understanding of certain themes within the programme (for example, modal-specific boards). As a result, many acknowledged that communication had improved as programmes progressed, relationships matured and roles and responsibilities became clearer.

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Communication with DfT

4.11   DfT and MCA stakeholders were broadly positive about communication through the programme. MCAs reported regular engagement with DfT which helped them to flag issues and challenges and ensure DfT were cited on progress. The specifics of this are discussed in more detail in the Delivery section of the report.

4.12   LAs had limited direct contact with DfT through the programme. Many were broadly comfortable with this, and recognised that the strategic relationship for this fund was between DfT and the MCAs. However, some felt a direct relationship would have been beneficial to ensure the LAs heard a consistent message from DfT. One LA stakeholder said direct communication with DfT would provide an understanding of the information needed, and would ensure the message they heard from their MCA was consistent with that of DfT.

"There should be a relationship [between LAs and DfT] because in the end we are providing our work which is supporting the Department of Transport... We happen to work with the combined authority, but it's still a partnership between government, DfT, the combined authority and the districts." – LA stakeholder

Feedback on monitoring returns

4.13   LAs often reported being unclear on how monitoring and reporting they provided to MCAs were used by DfT and, in some cases, the MCA. MCAs also reported a lack of visibility on how their monitoring returns were used and interpreted by DfT, and also felt the reporting process could be more streamlined. This lack of feedback created a perception that monitoring data was not extensively used, which could inhibit partners' commitment to reporting. More feedback from DfT on how reporting is used would likely be beneficial to local and regional partners and could enable MCAs to communicate this more effectively to their LA partners.

5 Conclusions

5.1   CRSTS represented a significant milestone in the devolution of how major transport investment programmes are designed, delivered and monitored. The programme has played an important role in establishing mechanisms for managing such programmes and has demonstrated clear successes in how programmes on this scale can be delivered successfully in a devolved context.

Key areas of success

Strategic alignment and early engagement

5.2   Engagement between DfT and MCAs at the outset of programme design ensured MCAs were well sighted on programme level objectives. This enabled them to start early on the development of robust project pipelines. The clear articulation of CRSTS objectives – economic growth, decarbonisation, and reducing regional inequalities - enabled MCAs to align transport investments with broader regional development goals, such as housing and employment growth. This strategic coherence was particularly evident in more mature MCAs, which leveraged existing transport strategies and governance structures to accelerate delivery.

Flexibility and adaptability

5.3   CRSTS incorporated mechanisms that allowed MCAs to adapt to changing circumstances. This was particularly valuable in a five-year programme where at least some degree of changing context was inevitable. The ability to rebaseline programmes and over-programme delivery pipelines provided MCAs with the flexibility to respond to evolving local needs and external pressures, such as inflation and capacity constraints. These mechanisms were welcomed by MCAs, and were critical in maintaining delivery momentum and ensuring that the programme remained responsive and resilient.

Strengthened governance and delivery capacity

5.4   The scale and scope of CRSTS prompted MCAs to enhance their internal governance and delivery structures, and these evolved over the course of the programme. Many authorities established dedicated programme boards, improved performance management systems, and streamlined assurance processes that took account of project scale and complexity. These developments not only supported the delivery of CRSTS but also contributed to the institutional maturity of MCAs and their relationships with LAs.

Constructive collaboration with DfT

5.5   The relationship between MCAs and DfT was generally characterised by regular, supportive engagement. Area teams played a key role in maintaining communication and advocating for local priorities within central government. The lighter-touch oversight model, compared to other funding streams, was

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appreciated by MCAs and contributed to a more trusting and devolved delivery environment.

Challenges faced

5.6   Despite these successes, the programme encountered several challenges, given it was one of the first programmes of this size and nature, that provide opportunities for future learning.

Inconsistent guidance and changing eligibility

5.7   The evolving nature of DfT guidance during the prioritisation phase created uncertainty and, at times, political tension. Late-stage changes in eligibility criteria and the involvement of multiple government voices complicated decision-making and undermined the clarity of the programme's strategic direction.

Compressed timelines and delivery pressures

5.8   The short lead-in time between funding confirmation and programme initiation placed significant pressure on MCAs and their partners. This often resulted in the prioritisation of more deliverable, rather than more strategic, schemes. The backloading of delivery into the latter years of the programme has also raised concerns about network disruption and delivery bottlenecks as the 2027 deadline approaches.

Capacity and capability constraints

5.9   A recurring theme across all stakeholder groups was the limited capacity and capability within both MCAs and LAs. These constraints affected all stages of the programme from scheme prioritisation and business case development to delivery and monitoring. Whilst MCAs have tended to grow to overcome these constraints, the challenge is very much a live one in LAs where resource for prioritisation and delivery remains constrained.

Oversight and reporting burdens

5.10   While the approach to M&E was generally seen as robust, some stakeholders - particularly LAs - found the reporting requirements overly burdensome. This was especially true for maintenance and renewal schemes, where the benefits were harder to quantify. The lack of a clear feedback loop from DfT on how monitoring data was used further diminished stakeholder buy-in. Some LAs also suggested there was a lack of clarity on how MCAs used their monitoring returns.

Recommendations for a successor programme

5.11   Building on the lessons above, the following recommendations could be considered to enhance the effectiveness and impact of future similar programmes:

Tailored support based on MCA maturity

5.12   Future programmes could adopt a differentiated approach that recognises the varying levels of maturity among MCAs. More established authorities could be

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granted greater autonomy and lighter-touch oversight, while newer MCAs could receive targeted support, including mentoring, guidance, and enhanced capacity funding. This should however involve careful consideration of how capacity funding flows to local authorities. Given they are a key delivery partner and arguably face the greatest resource challenges, any tailoring of support to MCAs should ensure this is not to the detriment of LAs.

Longer lead-in times and funding clarity

5.13   The need for earlier clarity on the scale and scope of funding is a key issue for LAs and MCAs to enable them to plan strategically and deliver consistently. Longer lead in times would allow for more strategic scheme development and ensure that projects are better aligned with long-term regional objectives. It would also enable MCAs to more effectively manage the transition between funding programmes. Without longer lead in times and confidence in future funding, there is a risk that MCAs cannot commit funding which risks leading to peaks and troughs in delivery, which in turn risks increasing disruption on the network.

Streamlined and proportionate reporting

5.14   The approach to M&E could be refined to ensure greater proportionality, at both the national and MCA level. This would increase efficiency in the development of schemes and reduce the time to delivery.

5.15   Consideration should also be given to treating the reporting of maintenance and renewal funding differently to strategic investments. Given this is fundamentally seen as business-as-usual activity by LAs, it presents challenges in identifying and measuring outcomes from this funding.

Enhanced communication and shared learning

5.16   There is potential to improve communication around M&E between all partners in the programme. Primarily, feedback from DfT to local partners on how monitoring data is used would provide clarity to MCAs and LAs and potentially provide opportunities to learn from each other and understand their contribution to programme objectives.

5.17   MCAs would likely also value forums for sharing best practices and for peer-to-peer learning which could foster innovation and continuous improvement. Additionally, direct engagement between DfT and local authorities could help align expectations and strengthen delivery partnerships. DfT have instituted forums as part of the national CRSTS evaluation which should help to address this issue.

Outcome-focused monitoring

5.18   Monitoring frameworks for future programmes could place greater emphasis on wider outcomes such as health, sustainability, and economic inclusion rather than a narrower focus on outputs. A more structured outcomes framework, co-developed with MCAs, could help ensure that investments deliver maximum public value while respecting local autonomy. To some extent, the Integrated

Settlement process is moving in this direction. However, evaluation of such initiatives at programme level is likely to continue to be required to fully understand their wider impact.

A   Evaluation Approach

Methodology

This section describes the methodology used for answering the research questions. The study was conducted using a qualitative research approach, with the format of the research designed with a particular focus on encouraging participants to be open and candid.

Method statement

The below sets out the key stages and tasks in the study, aligned to the overarching objectives and research questions.

Stage 1: Inception and orientation

To fully orientate the study and assess the level of oversight required for CRSTS, the project team conducted a desk review of CRSTS guidance, examples of monitoring information held by DfT, and any internal documentation on lessons learned to date. This ensured the consultancy team were fully informed about the design of CRSTS, the principles behind it, and the planned approach to its delivery and monitoring. This enabled informed conversations with stakeholders from MCAs, local and central government.

Stage 2: Stakeholder engagement

The core fieldwork for the project took place between February and April 2025. This involved active engagement with national, regional and local stakeholders to gain direct insights into the operational realities of CRSTS. The approach involved two research methods: thematic focus groups with MCAs (focusing on operational delivery), and one-to-one interviews with a range of stakeholders. This included senior, strategic stakeholders and those involved in direct day to day delivery of the programme.

The project team hosted three thematic focus groups, covering the following operational areas, which were selected in accordance with the research questions:

- Prioritisation
- Delivery; and
- Oversight

These focus groups facilitated discussions with multiple MCAs to explore challenges and successes across these thematic areas. Across all of these, we explored the effectiveness of engagement and partnership dynamics (both "up" to central government and "down" to local authorities) within these processes to capture a nuanced understanding of local implementation and collaborative approaches.

All MCAs were encouraged to attend all workshops, with the potential for multiple attendees per MCA per workshop if required. Attendees were senior enough to

have a thorough understanding of the programme, but close enough to operational delivery to be able to comment on practical issues around implementation. This included roles such as Programme Managers for Delivery, Monitoring/Performance Managers for Oversight and Policy Managers for Prioritisation.

Focus groups were led by a facilitator from the Steer project team, who also provided a note taker. Focus groups took place via Microsoft Teams. Each session was recorded and transcribed using the Teams functionality. DfT was not invited to the MCA group discussions. Given DfT was the scheme's funder and pivotal to future funding decisions, this approach was taken to encourage open and honest discussion amongst MCAs without having to consider any perceived impact on DfT's view of them.

Recognising that some contacts, particularly senior leaders with strategic oversight, may have been more guarded about what they would share in a group setting, one-to-one interviews were held with MCA staff with strategic oversight of each theme to ensure we got a breadth of perspectives. These were likely to be with more senior stakeholders than the focus groups, at Assistant/Strategic Director or 'Head of' level.

Interviews were also held with local authority stakeholders from district and unitary authorities in MCA areas to get their perspectives on MCA processes and approaches to engagement. These focussed primarily on those with day-to-day involvement in projects and strategic discussions.

Semi-structured interviews were conducted with representatives DfT, providing an opportunity to reflect on the implementation and monitoring of these schemes from the national perspectives.

The interviews were conducted either individually or in pairs, depending on individuals' roles/involvement. The interviews addressed similarities and differences in approaches to CRSTS relative to other funding streams, highlighting policy shifts, adaptations, and overarching objectives that drove these programmes.

In summary, the following primary research was undertaken:

- 12x interviews with DfT stakeholders
- 9x interviews with Mayoral Combined Authority stakeholders
- 13x interviews with Local Authority stakeholders
- 3x online focus groups with MCAs:
    - o Prioritisation theme (6 attendees)
    - o Delivery theme (8 attendees)
    - o Oversight theme (8 attendees)

Table 2-1 shows how the proposed research approach responded to the research questions set out in Section 1, ensuring multiple touch points for all questions.

Table A1: Research Questions Matrix

Research Question	Central government	Delivery focus group	Oversight focus group	Prioritisation focus group	Local interviews
1	✓	✓		✓	✓
2		✓			✓
3	✓			✓	✓
4				✓	✓
5					✓
6		✓			✓
7	✓		✓		✓
8	✓		✓		✓
9	✓	✓			✓
10	✓		✓		✓

Methodological considerations

Ensuring, and communicating, that responses were anonymised and were not attributed to any specific individual or organisation helped to create a safe environment for participants to share their opinions frankly. It was emphasised that transcripts or detailed notes would not be shared with DfT, enabling participants to be more candid in their responses.

DfT and local stakeholders were interviewed separately. Creating a distance between DfT and MCAs fostered honest feedback by reducing any perceived power dynamics or fear of repercussions. This separation encouraged participants to speak openly about their experiences and challenges without worrying about potential negative consequences.

Data across different organisations and sources was cross-verified to ensure the accuracy and reliability of the information collected, for example cross-referencing insights from LAs with those from the MCA. This method allowed for a more comprehensive understanding of the issues in order to validate, and if necessary, challenge statements from participants.

Approach to defining and engaging stakeholders

At least one representative from all MCAs[2] was interviewed either as part of a one-to-one interview or as part of a thematic focus group.

DfT developed an initial stakeholder map in discussion with Steer as part of the initial stage of case study planning. DfT made initial introductions with key

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[2] The MCAs involved in the programme were Greater Manchester, Liverpool City Region, North East, South Yorkshire, Tees Valley, West of England, West Midlands and West Yorkshire.

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contacts at each MCA who then connected Steer with appropriate colleagues for relevant stages of the process.

DfT initially engaged with participants and provided a letter of introduction on behalf of the research team, to introduce their role to encourage engagement with the evaluation.

Steer then followed up with a more detailed invitation to the project, including a participant information sheet, consent form and privacy notice. This provided context and prepared the participants for the discussion.

Interview / focus group content

Discussion guides were developed and then signed off by DfT prior to any interviews / focus groups taking place. Some questions were consistent across all interview groups, and priority issues and questions were identified. This semi-structured method allowed space to 'follow' bits of discussion that may have added insight, while also collecting critical comparative information.

Prior to carrying out the interviews, the project team asked each participant to confirm which stages of the process they were involved in. This enabled the interviewers to prioritise the questions to ask on a case-by-case basis, to ensure good coverage of perspectives across the research questions.

Bespoke versions of the main topic guide were used for different groups of participants (e.g. DfT, MCAs and LAs). Specific prompts were included depending on the role individuals played in the process.

Privacy and anonymisation

Analysis of the information gathered in the discussions was synthesised to draw out key themes across stakeholders, rather than outlining individuals' experiences. Points raised by participants were not attributed to them, however, they are cited by role in this report, e.g. 'DfT official'. It is recognised that, due to the specialised roles involved and the relatively small number of participants, it may be possible to identify someone involved even without their name, though care has been taken to avoid this wherever possible by avoiding overly specific attribution.

Participants were given a consent form and privacy notice in their advance information email, which they were asked to read before taking part. They were able to opt out of being involved at any stage before their data had been synthesised and anonymised.

In order to afford participants a good level of confidence in anonymity, full interview notes, transcriptions and recordings were not shared with DfT. This was done to reassure participants that any feedback they provided would not prejudice future dealings with DfT or HMT.

Stage 3: Analysis

All interviews were recorded and transcribed using the automatic transcription facility on Microsoft Teams. A note-taker also attended each workshop and took

detailed notes. Following the interview, the notes taken by the note-taker and any notes taken by the interviewer were compiled and input to professional qualitative data analysis software Atlas.ti.

A coding frame was developed, guided by the study research questions, evidence gaps, and the themes within the topic guide. A deductive approach was then taken – manually reviewing the transcript and interview notes and assigning codes from the coding frame. To avoid coder bias, two individuals were involved in the coding task to provide quality assurance and check and challenge. Although a deductive coding frame was used, coders remained open to inductively capturing any unanticipated themes emerging from the data, particularly in relation to process evidence, where unexpected factors may arise.

Visual inspection and summary (using the functionality within Atlas.ti) was then used to summarise findings in relation to each topic within the coding frame, and a written summary was prepared which provided a summary of responses to each topic of interest, the level of agreement/disagreement amongst each stakeholder type, and inclusion of relevant quotations (verified and time-stamped via the automatic transcription) to support these arguments.

Once completed, the summary of responses was shared with all interviewers, forming the basis for an extended discussion, comparison and challenge. Once the summary of responses had been agreed by all interviewers, this document formed the evidence base on which this final report and accompanying presentation were prepared.

Stage 4: Dissemination

The final stage focused on presenting and sharing findings from the evidence review and stakeholder engagement. This involved three tasks:

- **Preliminary findings presentation:** A presentation of preliminary findings was held, and an indicative Executive Summary drafted, before drafting the final report. This presentation and Executive Summary were used to verify and refine insights from the evidence review and engagement stages and allowed for collaborative feedback from DfT stakeholders, which was instrumental in shaping the final analysis.
- **Report drafting:** The drafting phase consolidated insights from the evidence review, thematic focus groups, and stakeholder interviews. The draft report was circulated to DfT for feedback prior to finalisation.
- **Final report production:** Incorporating feedback from the draft stage, this report was produced, which provided a comprehensive summary of the findings from the research.

The subsequent chapters set out the key findings of the study, structured around the three research themes outlined above.

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