

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member - Environment and Transport
Date:	11 September 2012
Title:	Hampshire Programme of TfSH LSTF Projects 2012-2015
Reference:	4211
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

- 1.1. The purpose of this paper is to set out the proposed programme of projects to be delivered by the County Council as part of the Transport for South Hampshire (TfSH) Local Sustainable Transport Fund (LSTF) programme of interventions, in order to achieve delivery and spend within the 2012-2015 funding window.
- 1.2. This paper seeks to summarise the package of works to be delivered by the County Council so that the programme can be approved and delegated authority can be given to the Director of Economy, Transport and Environment to agree individual project detail, costs and programme.

2. Contextual information

- 2.1. In December 2011, TfSH submitted a Full Business Case to the Department for Transport's (DfT) Local Sustainable Transport Fund (LSTF) for £17.839million of Grant funding towards an overall £31million package of interventions. TfSH was one of just 13 areas, nationally, to be invited to submit a Business Case in the Large Project Package category and, following assessment by DfT in June, was one of only two authorities to be awarded funding in full.
- 2.2. The package of measures is designed to facilitate and support sustainable economic growth within urban south Hampshire, whilst also reducing carbon. The interventions are targeted on nine corridors connecting the two Cities with their surrounding areas and the Gosport peninsula. The proposed sustainable interventions generate high rates of return for comparatively little

investment with manageable ongoing revenue investment to keep them working in the future.

- 2.3. The Grant conditions ring-fence the monies to those interventions outlined within the Business Case and can only be drawn down in accordance with the annual spend profile approved. Whilst interventions can be moved between years, the annual spend cannot. Should an underspend occur in a year, funding will be lost. Funding will be paid quarterly in arrears to the County Council, as the finance lead for TfSH.
- 2.4. As the funding profile is tight and cannot be varied over year-ends within the LSTF period, the authorities of TfSH have only 2.75 years to deliver their programmes. With a number of schemes at an early stage, it is imperative that development work commences, without delay, to ensure that schemes can be delivered on time and, critically, that TfSH is able to spend the grant, in full, by March 2015.

3. Background

- 3.1. The interventions contained within the project can be categorised under three inter-locking themes:
 - an interoperable smart ticket for bus and ferry travel;
 - area-wide and corridor-specific *Travel Choice* interventions, aimed at encouraging uptake of public transport, walking and cycling; and
 - physical interventions along nine corridors and at interchanges (including Real Time Passenger Information, bus priority, and provision for cycling and walking).
- 3.2. The project targets nine corridors into Gosport, Portsmouth, and Southampton. The two cities are the economic centres for South Hampshire, yet access to both is congested – particularly in the peaks. As a peninsula, access to Gosport is constrained, and this needs to be relieved to help regenerate the area and support the delivery of the Solent Enterprise Zone at Daedalus.
- 3.3. The project is a partnership of Local Authorities, Bus Operators, Businesses and other organisations who are all contributing time, expertise and funding to improve travel in South Hampshire.

4. Programmes and Finance

- 4.1. The DfT approved package fund for this 3-year project is £31.163million; a mix of LSTF grant (£17.839million), private sector investment (£3.787million) and TfSH authority contributions (£9.537million).
- 4.2. Hampshire's programme, which requires the additional capital to be formally approved before significant work is undertaken, is attached in Appendix 1, and stands at, £14.867million, of which £12.383million is capital and £2.484million is revenue. A recommendation to amend the Capital

Programme is being sought from Council, in parallel to this decision, on 20 September 2012.

- 4.3. The following table summarises the Hampshire TfSH LSTF programme to be approved by the Executive Member. For comparison purposes only, Appendix 2 provides a summary of Portsmouth and Southampton's programmes and an overview of the overall package costs by Theme.

Table 1 – Summary of Hampshire's Delivery Programme

	LSTF	HCC	PRIVATE	TOTAL	CAPITAL
	£000's	£000's	SECTOR	£000's	VALUE
			£000's		£000's
Physical Interventions	3,488	5,201	630	9,319	8,966
Smart Ticketing	1,667	698	1,052	3,417	3,417
Travel Choice	2,031	-	-	2,031	-
Monitoring	100	-	-	100	-
	7,286	5,899	1,682	14,867	12,383

- 4.4. In estimating the package costs a detailed assessment has been carried out on the individual items making up the various strands;

4.4.1 Physical Interventions - estimates have been derived from feasibility studies and/or scoping exercises undertaken by the three authorities. Several of the area-wide projects (e.g. RTI Information Screens) are based on unit costs, which have been scaled up according to the number of installations expected. Schemes include cost for design, supervision, project management and a contingency. Early estimates for ongoing revenue implications (maintenance) are also included. (See paragraph 4.5 for more on long-term revenue implications)

4.4.2 Smart Ticketing – estimates have been derived from an 18 month period of work developing a business case in partnership with bus operators to give a high degree of certainty. The costs presume a shared back-office between the three local authorities as well as taking into account investment by operators. They also assume an income stream through the sale of non-transport smart applications on the card (as the back-office will already be in place), sale of advertising of cards and the costs of replacement cards lost through the scheme. There is also an allowance for a modest redirection of current Bus Service Subsidies into the Smart Ticketing, agreed with the Passenger Transport Teams of each authority, and based on a 20% increase in bus patronage improving bus viability based on the implementation of the LSTF package of proposals.

4.4.3 Travel Choice – estimates are based on experience of similar schemes implemented by other local authorities, primarily three DfT funded Sustainable Demonstration Towns and Smarter Travel Sutton.

4.4.4 All estimates include an element of contingency.

4.5 The LSTF grant includes significant elements of revenue funding to deliver elements of the LSTF programme over the 3 year funding period. The longer term revenue commitment for operational and maintenance elements will be funded by each of the partner authorities in their respective areas. Although the original bid document indicated an estimated on-going commitment of £0.876million for Hampshire, a significant proportion of this cost will be covered through efficiency savings as a result of the changes delivered as part of the programme. As a result ongoing revenue implications will reduce significantly, and are more likely to be around £0.2million per annum. A breakdown of the three package elements where there will be an on-going revenue commitment is as follows-

4.5.1 Physical Interventions – much of the on-going revenue commitment associated with the interventions on the nine corridors relates to the operational and maintenance costs of the public transport Real Time Passenger Information (RTPI) and Automatic Vehicle Location (AVL) systems. There is sufficient funding included in the bid to cover all costs for the first 6 years. In future years the additional RTPI costs will be offset by savings from the AVL systems. Currently, Hampshire covers the annual maintenance costs of the equipment on buses however over the programme period this revenue commitment is likely to be transferred to the transport operators. This saving will offset the majority of the RTPI costs meaning that there will be no requirement to increase the Passenger Transport Group revenue budget. In addition to this there is modest on-going maintenance costs associated with other capital assets principally on the highway which will be detailed in each of the Project Appraisal reports.

4.5.2 Smart Ticketing – the proposal to procure a Smart Ticketing Back Office is to be led by Southampton City Council. This shared service arrangements would be introduced once existing Hampshire County Council back office functions expire bringing the three local authority systems together offering efficiency savings which will partly offset the additional costs associated with the current Smart Ticketing back office functions. A separate report will be presented to seek approval of the detailed arrangements and associated costs of this element of the LSTF programme.

4.5.3 Travel Choice Measures – there is a commitment as part of the bid document to continue with a modest revenue investment to ensure that the benefits are maintained at the end of the LSTF programme period. This revenue commitment of £0.277million is only up to 2017/18 and much of this is for work undertaken by the County Council as part of other programmes.

- 4.6 All of the funding figures are at 2011 prices. To calculate current prices a 2.50% inflation has been used, in line with the Government's published inflation target.
- 4.7 The £2.484million LSTF revenue secured through the bid and identified in the delivery plan, will be acknowledged within the next routine revenue monitoring report.

5 Delivery

- 5.4 The nature of the package means that the majority of projects are relatively small and independent of each other. They also utilise a number of non-competing resources which spreads the delivery responsibility. The scale and type of works are all familiar. Where successful delivery requires increases in the capacity to deliver, there are flexible arrangements in place that allow fast mobilisation without jeopardising existing programmes of work.
- 5.5 Where considered necessary, separate agreements will be sought with the partner authorities in relation to cross-boundary projects to protect the interests of the County Council.
- 5.6 There are a few areas where specialist skill or services are needed. Such services are not required in significant quantity and no OJEU limits are expected to be reached. In all cases the delivery of the larger capital schemes is covered through existing procurement arrangements.

6 Performance and Monitoring

- 6.4 The Business Case identified a healthy Benefit Cost Ratio of 8.5 to 1 and that proposals will be successful in supporting economic growth through:
- creating employment (1,141 jobs to 2019 and 1,529 to 2026 will be created as a direct consequence of LSTF investment);
 - widening employment horizons;
 - widening the available labour pool;
 - supporting growth targets;
 - targeting support at our assets (for example our ports and airport);
 - targeting support at our employment sectors that have potential for growth;
 - reducing congestion;
 - increasing public transport patronage use by 24%;
 - increasing use of active modes by 9%; and
 - improving journey time reliability for all road users.
- 6.5 Proposals will also reduce carbon and other emissions from the transport sector, improve health, and improve access for all.
- 6.6 Monitoring and evaluation of the entire package will be by way of an annual report from the TfSH-LSTF project team.

- 6.7 For the Hampshire programme, a section within the quarterly capital programme monitoring reports will provide a general update on progress and spend. Any changes that have been approved under the proposed delegated authority will be highlighted.
- 6.8 An allocation of £0.1million from the monitoring fund has been earmarked to Hampshire to pay for necessary data collection activities, analysis and annual report preparation. Data and analysis will be produced in conjunction with an independent academic organisation in order to add rigour and ensure the findings stand up to scrutiny. The findings will be used to steer and shape the delivery programme (especially with regards Travel Choice) in future years.

7 Recommendations

- 7.4 That, subject to Council adding additional capital resources, the programme of Hampshire projects totalling £14.867million, which forms part of the Transport for South Hampshire £31million Local Sustainable Transport Fund Project, be approved.
- 1.2 That delegated authority be given to the Director of Economy, Transport and Environment, in consultation with the Executive Member for Environment and Transport, to periodically realign and update the programme, including any readjustment of costs from within the agreed £14.867m LSTF funds.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1 The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. An assessment of the impacts in this service area can be found at:

[Developing Hampshire's Highway Network and Transport Systems](#)

It is considered that the issues covered by this report will not have impacts requiring further specific actions by the Council above those already established in its existing policies and working procedures.

2 Impact on Crime and Disorder:

- 2.1 Proposals to make changes to public realm and transport interchanges will contribute to a more attractive and safer environment for pedestrians, through improvements such as additional lighting and CCTV.

3 Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

Proposals will have a very positive impact on the level of emissions. Interventions such as Smart Ticketing, bus priority, junction improvements along a number of the nine corridors, and the introduction of travel plans and other Travel Choice measures will lead to reduced delays on many parts of the network, a move to more sustainable modes and a reduction in the amount of travel.

The Sub-Regional Transport Model (SRTM) used in preparation of the TfSH LSTF bid has an inbuilt Emissions Assessment Tool (EAT) application, and results show that the full LSTF package has a positive impact on carbon emissions with 53,238 fewer kilograms per 12 hour period emitted compared to the reference case. This equates to a maximum 25,750 (0.9%) fewer tonnes on an annual basis.

The largest carbon benefits occur as a result of the Travel Choice measures, reflecting the shift to active modes and public transport, as well as an overall reduction in the travel demand.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Evidence shows that there is significant opportunity to encourage people to make more short trips by active travel modes. The range of measures aimed at improving cycle networks, developing pedestrian crossings and junctions, together with significant public realm improvements have a positive impact on the number of trips made by active travel.

HAMPSHIRE TFSH LSTF PROGRAMME

THEME ONE - PHYSICAL INTERVENTIONS						Capital	Rev'	Total
	LSTF	HCC	OTHER	EXT	TOTAL	£000s	£000s	£000s
	£000s	£000s	£000s	£000s	£000s			
Interchange Improvements, Hythe Passenger Transport Interchange.	93	50	-	-	143	143	-	143
Rail Station improvements, Totton.	150	-	25	-	175	175	-	175
Testwood Lane to Salisbury Road via Library Rd link cycle route.	24	-	-	-	24	24	-	24
Pedestrian & cycle crossing, commercial Rd near junction with Station Rd North.	70	-	-	-	70	70	-	70
Bus Station Improvements, Romsey.	20	-	-	-	20	20	-	20
Rail Station Improvements, Romsey.	60	-	-	-	60	60	-	60
Chandler's Ford bus priority, RTI & local ped/cycle improvements, Bournemouth Road.	135	173	-	-	308	308	-	308
Chandler's Ford Community Shuttle Bus, Chandler's Ford area.	90	-	-	510	600	511	89	600
Rail Station public realm improvements, Eastleigh Rail Station.	340	-	-	-	340	340	-	340
Cycle link, Bishopstoke (Barton Park) to Eastleigh Rail Station.	48	36	36	-	120	120	-	120
Rail Station interchange improvements, Southampton Parkway Station.	50	-	-	120	170	170	-	170
New bus stop at Fareham Rail Station	40	-	-	-	40	40	-	40
Bus Infrastructure improvements, Fareham Town Centre	13	100	-	-	113	113	-	113
BRT related bus infrastructure improvements, Gosport.	197	277	-	-	474	474	-	474
Pedestrian and cycle crossing measures, Gosport Town Centre.	100	-	220	-	320	320	-	320
Rowner - Daedalus off-road cycle route, Gosport Area.	100	-	-	-	100	100	-	100
Bus service improvements to Daedalus & linked with BRT, Related bus stop infra improvements.	350	2,900	-	-	3,250	3250	-	3,250

Appendix 1

	LSTF £000s	HCC £000s	OTHER £000s	EXT £000s	TOTAL £000s	Capital £000s	Rev' £000s	Total £000s
Cycle link through Waterlooville Town Centre to Bus Interchange.	48	750	-	-	798	798	-	798
Bus Interchange improvements (various), Leigh Park (Park Parade).	27	-	-	-	27	27	-	27
Cycle and pedestrian link improvements, Havant.	90	284	350	-	724	724	-	724
RTI measures, Key Interchanges and Local Centres	190				190	117	73	190
RTI measures, Corridor wide bus routes	359				359	224	135	359
Legible Cities pedestrian signage, corridor wide locations	330				330	330	-	330
Introduction of on-bus AVL system, corridor wide (exc SCC bus routes)	566				566	509	57	566
	3,488	4,595	606	630	9,319	8,966	353	9,319

THEME TWO - SMART TICKETING

	LSTF £000s	HCC £000s	OTHER £000s	EXT £000s	TOTAL £000s	Capital £000s	Rev £000s	Total £000s
Smart Ticketing Project	1,667	698	-	1,052	3,417	3,417	-	3,417

THEME THREE - TRAVEL CHOICE

	LSTF £000s	HCC £000s	OTHER £000s	EXT £000s	TOTAL £000s	Capital £000s	Rev £000s	Total £000s
Travel Choice Project	2,031	-	-	-	2,031	-	2,031	2,031

MONITORING

	LSTF £000s	HCC £000s	OTHER £000s	EXT £000s	TOTAL £000s	Capital £000s	Rev £000s	Total £000s
Monitoring	100	-	-	-	100	-	100	100

TOTAL PROGRAMME

	7,286	5,293	606	1,682	14,867	12,383	2,484	14,867
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COMPARISON TABLE**Hampshire Programme Summary**

	LSTF £000s	HCC £000s	OTHER £000s	EXT £000s	TOTAL £000s	% of LSTF	% of Package
Physical Interventions	3,488	4,595	606	630	9,319	40%	48%
Smart Ticketing	1,667	698	-	1,052	3,417		
Travel Choice	2,031	-	-	-	2,031		
Monitoring	100	-	-	-	100		
	7,286	5,293	606	1,682	14,867		

Portsmouth Programme

	LSTF £000s	HCC £000s	OTHER £000s	EXT £000s	TOTAL £000s
Physical Interventions	1,621	76	-	-	1,697
Smart Ticketing	1,667	233	-	1,052	2,952
Travel Choice	1,541	-	-	-	1,521
Monitoring	100	-	-	-	100
	4,929	309	-	1,052	6,290

Southampton Programme

	LSTF £000s	HCC £000s	OTHER £000s	EXT £000s	TOTAL £000s
Physical Interventions	2,316	2,914	-	-	5,231
Smart Ticketing	1,667	233	-	1,052	2,952
Travel Choice	1,541	-	-	-	1,541
Monitoring	100	-	-	-	100
	5,624	3,147	-	1,052	9,823

TOTAL ACROSS THEMES

	17,839	8,749	606	3,787	30,981
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BY THEME - SUMMARY

	LSTF £000s	HCC £000s	OTHER £000s	EXT £000s	TOTAL £000s
Physical Interventions	7,426	7,585	606	630	16,247
Smart Ticketing	5,000	1,164	-	3,157	9,321
Travel Choice	5,113	-	-	-	5,113
Monitoring and Evaluation	300	-	-	-	300
	17,839	8,749	606	3,787	30,981