

## **Report to the Transport for South Hampshire Joint Committee**

**Date:** 25 September 2012

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**Subject:** Local Sustainable Transport Fund Delivery Update

### **Purpose of the Report**

To update members on the award of the Local Sustainable Transport Fund (LSTF) grant by the Department for Transport and subsequent progress on setting up delivery of the programme.

### **Recommendation**

- a) That progress on the Local Sustainable Transport Fund programme is noted and future work supported.**

### **Introduction**

1. The LSTF is a £560 million Department for Transport (DfT) fund aimed at supporting sustainable travel at the local level. The purpose of the LSTF is to enable the delivery of sustainable transport solutions that support economic growth while reducing carbon. The fund provides both capital and revenue resources.
2. In December 2011, Transport for South Hampshire (TfSH) submitted a full business case to the DfT for £17.8 million of LSTF grant towards an overall £31 million 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 in June, was one of only two authorities to be awarded funding in full.
3. Feedback from the Department on TfSH's bid has been very positive. Key strengths of the bid included the work on the business case, the strength and commitment of the members towards the partnership and the evidence base presented to justify the spending.
4. 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.

5. 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.
6. 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.

### **Project Summary**

7. Interventions can be categorised under three interlocking themes:
  - (i) an interoperable smart ticket for bus and ferry travel;
  - (ii) area-wide and corridor-specific Travel Choice interventions aimed at encouraging update of public transport, walking and cycling, and;
  - (iii) physical interventions along the corridors and at interchanges (including Real Time Passenger Information, bus priority and improved provision for cycling and walking).
8. 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.
9. 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.
10. The TfSH LSTF project is only one of five separate LSTF projects being delivered across Hampshire, Portsmouth and Southampton. Each city has been awarded its own smaller grant to implement measures within the city. Additionally there is a project being delivered across the six northern Hampshire towns and a recently awarded scheme covering the New Forest National Park.

11. The Isle of Wight is also delivering its own separate LSTF programme focusing on upgrading and improving and promoting a sustainable transport network in order to grow the Island's green tourism market.
12. Co-ordination of activity across these projects, in particular marketing and communications will be especially important. Development and promotion of the 'My Journey' brand will require close working between the different projects. For this reason at the last Senior Management Board meeting it was agreed to appoint a Marketing Co-ordinator funded through the large LSTF bid, to co-ordinate marketing and advertising spend across the TfSH region. The appointee will be responsible for liaising closely with each authorities press and communications team and ensuring a joined up approach towards delivery of the respective marketing budgets.
13. A short term appointment to this post is being sought by Southampton City Council until October 2012 at which point a fixed term appointment will be made by Hampshire County Council on behalf of TfSH.

#### **Progress to date**

14. Since receipt of the grant award letter (dated 13/07/2012), progress has been made in the following areas:-
  - (i) appointment of a Programme Manager to ensure co-ordinated delivery across the TfSH partners;
  - (ii) conducting initial discussions with client managers from each of the Local Authorities to ascertain the deliverability of individual schemes and groups of conjoined schemes;
  - (iii) identifying those projects where procurement may act as a constraint on the ability to deliver in a short timescale and discussing with colleagues the best way forward. Where appropriate this may include appointing a 'lead' authority to deliver on behalf of the partnership where a suitable procurement route exists.
  - (iv) calculating an indicative split of funding across the three participating TfSH authorities to support them in progressing necessary financial procedures in order to take schemes through their respective Capital Programmes;
  - (v) undertaking an initial assessment on 'risk', focused on the potential to deliver schemes and therefore spend grant;
15. Recognising the importance of the project and the need to ensure efficient delivery, the TfSH Senior Management Board is currently meeting on a monthly basis and progress on delivery of this project is a standing agenda item.

16. Agreement between the authorities on necessary in year adjustments to the programme to reflect changing circumstances or late delivery will be through the Senior Management Board. This may include the need to 'flex' the grant across years and between authorities, on the basis that the overall allocations across the life of the grant remain broadly consistent.

## **Monitoring and Evaluation**

17. 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:
  - (i) creating employment – as many as 1,529 will be created by 2026 as a direct consequence of LSTF investment;
  - (ii) widening employment horizons;
  - (iii) widening the available labour pool;
  - (iv) supporting growth targets;
  - (v) targeting support at our assets (for example our ports and airport);
  - (vi) targeting support at our employment sectors that have potential for growth;
  - (vii) reducing congestion;
  - (viii) increasing public transport patronage use by 24%;
  - (ix) increasing use of active modes by 9%; and
  - (x) improving journey time reliability for all road users.
18. Proposals will also reduce carbon and other emissions from the transport sector, improve health, and improve access for all.
19. Monitoring and evaluation of the entire package will be by way of an annual report prepared by the project team. An allocation of £0.3 million from the monitoring fund has been earmarked to pay for necessary data collection activities, analysis and annual report preparation. Data and analysis will be produced in conjunction with the *University of Southampton's Centre of Excellence for the Evaluation of Smarter Choice Interventions* 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.

## **Next Steps**

20. Work over the next few months is likely to focus on the following areas:
  - (i) client managers working for each of the partner authorities to progress schemes through their respective procedures;

- (ii) initiating appropriate mechanism to support scheme delivery and monitor/track progress to ensure (a) spending is on track and (b) delivery is in line with the strategy identified within the original bid;
- (iii) working with DfT colleagues to ensure the information provided is in line with both DfT and HM Treasury requirements;
- (iv) working closely with local bus operators through the South Hampshire Bus Operators Association (SHBOA) to progress delivery of the smart ticketing and real time information workstreams.

Section 100 D - Local Government Act 1972 - background papers

**The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.**

NB the list excludes:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE

LOCATION

None.