



Item

Report to Solent Transport

Date: 30 October 2015

Report by: Philip Marshall

tel: 01962 847122

email: philip.marshall@hants.gov.uk

Subject: Sub Regional Transport Model Governance and Procurement

1. Summary

1.1 The following decisions are sought:

That the Joint Committee:

1.1.1 delegates authority to the Senior Management Board to amend and apply appropriate charging mechanisms for Sub Regional Transport Model (SRTM) commissions to secure additional funding for the 2015 SRTM Upgrade and requests that Hampshire County Council, as Lead Authority for the SRTM, takes the necessary decisions to apply these charging mechanisms to SRTM commissions; and

1.1.2 delegates authority to the Senior Management Board to provide the SRTM contract through Hampshire County Council's Partnership Framework Contract.

2. Reason

2.1 In order to ensure that appropriate arrangements are in place to manage and maintain the Sub Regional Transport Model (SRTM) and ensure it remains fit for purpose as a comprehensive transport and land use evidence base for the area.

3. Other Options Considered and Rejected

- 3.1 Taking no Action – This option is rejected because it will not provide the necessary levels of governance and funding for the SRTM in the medium to longer term.

- 4. **Conflicts of Interest Declared by the Decision Maker or Other Executive Member Consulted – None.**

- 5. **Dispensation granted by the Conduct Advisory Panel – None.**

- 6. **Reason(s) for the Matter being dealt with if Urgent – None.**

Approved by: **Date:**

**Councillor Seán D T Woodward
Chairman
Solent Transport**



Agenda Item

Report to Solent Transport

Date: 30 October 2015

Report by: Philip Marshall

tel: 01962 847122

email: philip.marshall@hants.gov.uk

Subject: Sub Regional Transport Model Governance and Procurement

Purpose of the Report

To secure additional funding to deliver the 2015 Sub Regional Transport Model (SRTM) Upgrade and to deliver appropriate contractual arrangements for the ongoing provision of the SRTM.

Recommendations

- 1. That the Joint Committee delegates authority to the Senior Management Board to amend and apply appropriate charging mechanisms for Sub Regional Transport Model (SRTM) commissions to secure additional funding for the 2015 SRTM Upgrade and requests that Hampshire County Council, as Lead Authority for the SRTM, takes the necessary decisions to apply these charging mechanisms to SRTM commissions; and**
- 2. That the Joint Committee delegates authority to the Senior Management Board to provide the SRTM contract through Hampshire County Council's Partnership Framework Contract.**

Introduction

- 1. The Sub Regional Transport Model (SRTM), which was completed in 2011, provides a comprehensive transport and land use evidence base for the Solent Transport area.**

2. At the Joint Committee on 25 February 2015, members confirmed the funding available to allow work to commence on the 2015 SRTM Upgrade, including data collection surveys, although the full funding package for the Upgrade is yet to be secured. Members also provided delegated authority to officers to extend the SRTM contract by up to two years.
3. Since the 25 February Joint Committee, progress has been made with these two issues. The majority of data collection work for the 2015 SRTM Upgrade has been completed, although there is insufficient funding currently available to complete the Upgrade. The SRTM contract has been extended by 12 months until 31 March 2016. Whilst Joint Committee has given authority for this to be extended by a further 12 months to 31 March 2017, it is likely that the overall £4million financial limit of the contract will be reached prior to that date.
4. This report aims to support the ongoing 2015 Upgrade work, put in place a more sustainable funding package and manage the replacement of the existing SRTM contract.

Background

5. The SRTM was developed during 2010 and 2011 by Systra, which was appointed to undertake this work through a competitive tender process. The work was funded by Solent Transport, Partnership for Urban South Hampshire, Department of Transport, South East England Partnership Board and the Highways Agency. The SRTM provides a comprehensive transport and land use evidence base for the Solent area, including the Isle of Wight, which has been added to the model more recently.
6. Since it has been developed, the SRTM has been used for a wide range of work, including:
 - Providing evidence for the business cases in scheme funding bids, which has secured significant transport funding for the Solent area;
 - Providing transport evidence in support of Local Development Plans; and
 - Providing transport evidence for individual major developments.
7. The need for the SRTM as a comprehensive transport and land use evidence base for the Solent is still important. The SRTM is currently being used to support Highways England's considerable investment programme and the Business Cases for Local Growth Deal funded schemes. It is also proposed that the SRTM will be used as an evidence base to help develop a longer term transport investment programme, supporting the work of the Solent Strategic Land and

Infrastructure Board and Partnership for South Hampshire's Spatial Strategy Review.

8. More background information on how the SRTM operates and the need for the 2015 Upgrade is provided in previous reports considered by members at the 8 October 2014 and 25 February 2015 Joint Committees.

Proposed Interim Charging Regimes

9. The estimated cost of the current upgrade is £452,000 and will take seven months from the date of commissioning to complete. The 2015/16 budget provision which has been funded from a combination of current year partner contributions and funding carried forward from 2014/15 is £185,000 leaving further funding of £267,000 to be identified to allow the project to proceed. A number of options continue to be explored to bridge the gap.
10. Solent Transport partners have already contributed through core funding but are exploring options to increase contributions on a one-off basis to provide additional funding for the project.
11. External contributions continue to be sought from other organisations which might be expected to benefit from the upgraded model.
12. It is also proposed to review current SRTM charging policy. The current charging policy (from 2011) was based on full cost recovery principles with organisations which had contributed to the development of the original model paying a discounted rate reflecting their up front funding contributions to the original model (irrespective of the level of that funding) and all other organisations paying a higher level reflecting ongoing contributions needed to maintain and upgrade the model.
13. However it has been increasingly apparent that the current approach is not providing a sufficient contribution to support the funding of the major upgrade now required. As part of a wider funding strategy to complete the upgrade, approval is now sought to delegate authority to the Senior Management Board to review the current charging policy for all non Solent Transport partner use with the intention of generating a more appropriate contribution towards the funding of the upgrade.

SRTM Contract

14. The current SRTM contract originally started in 2010 for a period of two years, with the options for annual extensions to a total of ten years. Following Joint Committee approval on 25 February 2015, the contract was extended for 12 months until 31 March 2016. The Joint Committee approval would allow a further 12 month extension until 31

March 2017. However, it is likely that the overall contract value of £4m will be exceeded before this date. Therefore, replacement contractual arrangements need to be established to ensure there is continuity in the provision of the SRTM.

15. In May 2014, Hampshire County Council, which is the lead authority for the SRTM contract, entered a strategic partnership contract with Atkins, for the provision of transport and engineering professional services. The initial contract is for a period of four years, with a potential extension for up to eight years in total. The recently completed North Hampshire Transport Model (NHTM), which was also developed by Systra, is now being provided through the Atkins partnership contract, although the day to day work is still being undertaken by Systra. A small management and administration fee is applied by Atkins to cover this.
16. It is proposed that the SRTM contract is incorporated into the Atkins Partnership Contract on a similar basis to the NHTM. This would have advantages over a separate procurement exercise, similar to that used when Systra was initially appointed, as it would:
 - avoid the need for a resource intensive and time consuming procurement process, by making use of Hampshire's established Strategic Partnership contract; and
 - allow continuity of service with Systra, who have provided a good quality of service throughout the life of the current contract;
17. The recommendation is therefore to provide delegated authority to Senior Management Board to provide the SRTM contract through Hampshire County Council's Partnership Framework Contract.

Summary

18. The SRTM is an important transport and land use evidence base for the Solent, that has been instrumental in securing significant levels of transport investment. In order to continue this role, it is important that the SRTM is maintained as an up to date evidence base, so that it can continue this important role. This report's recommendations aim to achieve this.

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

To be completed