



North East Leadership Board

Tuesday 14th July 2015 at 2.00 pm

Meeting to be held at Northumberland County Council, County Hall, Morpeth, NE61 2EF

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SUPPLEMENTAL AGENDA No.4

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6. Local Sustainable Transport Fund (LSTF) Capital Package and Delegated Scheme Approval	1 - 8

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To All Members

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North East Combined Authority

North East Leadership Board

DATE: 14 July 2015

SUBJECT: Local Sustainable Transport Fund (LSTF) Capital Package and Delegated Scheme Approval

REPORT OF: Chief Executive Officer for Transport

EXECUTIVE SUMMARY

The Local Sustainable Transport Fund (LSTF) Capital Package comprises of approximately 15 individual schemes within the Local Growth Fund programme and is being delivered to a tight timescale, with funding allocations of £3.8 and £3.7 million for 2015/16 and 2016/17 respectively. The objectives of the LSTF Package are to alleviate congestion on the A1 and A19, encourage health and sustainable travel, and to improve journey time reliability for public transport. A programme-wide outline business case for the LSTF Capital Package was included in the submission of the Strategic Economic Plan to government.

Scheme promoters are currently developing individual scheme business cases for sign-off and grant funding release approval by NECA. This report requests that the North East Leadership Board approves expenditure 'in principle' on the whole LSTF Capital Package, subject to receipt and approval of compliant business cases for individual schemes, and that delegated authority is given to the Head of Paid Service to approve individual schemes and to authorise officers to enter into Grant Funding Agreements with scheme promoters.

RECOMMENDATIONS

That the Leadership Board:-

- a) Approves Local Growth Fund expenditure in principle on the LSTF Capital Package of schemes on the basis of the overarching Package business case in the Strategic Economic Plan submission; and
- b) Agrees that delegated authority be given to the NECA Head of Paid Service to approve individual scheme business cases on the recommendation of the Regional Transport Team, and in such cases to authorise the NECA Monitoring Officer to enter into Grant Funding Agreements with scheme promoters.

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1. The range and purpose of the LSTF Capital Package

1.1 The Local Sustainable Transport Fund (LSTF) Capital package of schemes has been given a total allocation from the Local Growth Fund of £7.5 million, spread across 2015/16 and 2016/17 (£3.8m and £3.7m respectively). The package includes approximately 15 individual schemes, ranging in cost from £50,000 to £2.8m, and business cases for each scheme are currently at various stages of development. The LSTF Capital Package is designed to complement the LSTF Revenue programmes for 2015/16 that were the subject of separate bids by Tyne & Wear, Durham and Northumberland. A strategic outline business case for the LSTF Capital Package had been developed showing a very high value for money benefit-cost ratio of 5.75.

1.2 The objectives of the LSTF Capital Package are to:-

- alleviate congestion on the A1 and A19;
- encourage healthy and sustainable travel; and
- improve journey time reliability for public transport.

The package has 4 key components (or scheme families):

- Urban Traffic Management and Control (UTMC);
- Improving key Transport Gateways;
- Strategic Cycle schemes; and
- The extension of the Green Light to Work (scooters) scheme.

1.3 The component budgets are approximately as follows:-

- | | |
|---------------------------|------------|
| • UTMC | £2,780,000 |
| • Strategic Cycle Schemes | £4,190,000 |
| • Gateways Improvements | £ 450,000 |
| • Green Light to Work | £ 100,000 |

1.4 The LSTF Capital Package includes schemes distributed across the NECA area, as shown in the table at Appendix 1.

The Urban Traffic Management and Control scheme incorporates the two separate traffic systems in Tyne & Wear and Durham and looks at new linkage between the two systems to provide better cross-boundary management of traffic and better data sharing. The Local Growth Fund contribution to the scheme is split between £2.3m for Tyne & Wear and £481,000 for Durham County Council. The scheme consists of delivering Variable Message Signs, CCTV, Automated Number Plate Recognition equipment and system linkage delivery.

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The main benefits are reduced journey times and better journey reliability for both public transport and private vehicle users, reduced congestion, reduced carbon and pollutant emissions, better emergency planning and major incident / event management, and improved journey quality and information availability.

1.5 The Key Gateway schemes are focused around major rail and air transport gateways in the region with the aim to alleviate congestion on the A1 and A19 by encouraging rail and Metro travel. Morpeth Rail Station, Newcastle International Airport, Newcastle Central Station, Sunderland Central Station and Durham Rail Station have been chosen because they are broadly parallel to the target road routes on a north-south axis. The Gateway scheme consist of the provision of Real Time Passenger Information, cycle shelters and parking (including CCTV), cycle lockers, more accessible and smart information, and signage improvements. The benefits include greater uptake of public transport thereby reducing congestion on strategic routes, better journey quality and more convenient interchange between services and travel modes.

1.6 The Strategic Cycle Schemes component will introduce or upgrade a number of key cycle routes across the region designed to contribute to the objectives of the SEP. Priority has been given to those that provide improved linkages to the Gateway interchanges outlined in the previous section – in line with the Government’s aspiration for a cycling revolution and its Door-to-Door Strategy – thereby creating multi-modal sustainable travel hubs, and to large employment sites.

The six cycle schemes identified are:-

- Newcastle Central Station to Gateshead Town Centre;
- Morpeth Access to Town Centre and Rail Station;
- Sunderland Station from Wearmouth Bridge;
- South Shields Ferry Landing;
- Durham Station Connections;
- Cobalt Business Park Access.

The benefits include increased connectivity, reduced congestion, better road-based journey times and reliability, improved air quality, business reliability benefits, reduced absenteeism and improved personal health.

1.7 The Green Light to Work Scooter scheme extends the scope of the current Tyne & Wear scheme to a seven authority footprint, assisting people to access jobs or training where no alternative travel option is available, widening the potential labour market for employers. This is particularly beneficial to people working shift times when there is no public transport provision.

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2. **The current approval status of the LSTF Capital Package**

2.1 The LSTF Capital Package formed part of the wider package of transport schemes that were part of the overall Strategic Economic Plan submission to government by the NE LEP in March 2014, as approved by the LEP Board. However, the Leadership Board has not yet approved funding release to individual schemes, which would follow business case review and certification by the NECA Regional Transport Team, in accordance with the NECA Transport Assurance Framework. The Regional Transport Team has issued a proforma to promoters of individual schemes to guide development and submission of non-major transport scheme business cases. The detail expected within each scheme business case is proportionate to scheme costs.

3 **Recommended approval and delegated decision for the LSTF Capital Package**

3.1 A schedule for submissions of individual LSTF Capital scheme business cases has not yet been determined, however, it will be challenging to avoid 'bunching' of business case submissions.

3.2 There is a considerable time pressure to move to implementation of the LSTF Capital schemes that must be wholly delivered within 2015/16, especially where procurement and supply lead-in times are lengthy and have significant associated time risks.

3.3 For these reasons, it is recommended that the Leadership Board approve 'in principle' spend on the LSTF Capital Package of schemes, and further, subject to receipt of satisfactory final scheme business cases, grant delegated authority to the Head of Paid Service to approve the individual schemes and authorise the Monitoring Officer to enter into appropriate Funding Agreements with scheme promoters.. This will expedite delivery within our given funding timeframes.

4. **Next Steps**

4.1 Subject to the Leadership Board approving the recommendations in this report the next steps include:-

- Development and review of individual scheme business cases within the LSTF Capital Package;
- Regional Transport Team providing reports to Head of Paid Service recommending, if appropriate, approval of scheme businesses cases and issue of relevant Funding Agreements;
- Head of Paid Service authorises the Monitoring Officer to enter into relevant Funding Agreements with scheme promoters;

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- Schemes are implemented in accordance with their Funding Agreements and scheme business cases.

5. Potential Impact on Objectives

- 5.1 The LSTF Capital schemes provide a very high value for money method of delivering the core objectives and themes of the Strategic Economic Plan. Each individual scheme in the Package will demonstrate its alignment to SEP objectives before its business case is recommended for approval. Overall, the package of schemes will assist connectivity and promote sustainable travel.

6. Finance and Other Resources

- 6.1 The LSTF Capital Package has received funding commitment from Government as part of the Local Growth Fund settlement. It should be noted that the LGF settlement for 2016/17 is 'in principle' only at this stage.
- 6.2 The specific financial and other resource implications will be assessed and considered by the Head of Paid Service and Chief Finance Officer in approving individual scheme business cases and issuing Funding Agreements to scheme promoters thereafter. There is no additional call on the Authority's funding resources.

7. Legal

- 7.1 Funding agreements will be required to be entered into with scheme promoters. The Authority will enter the agreements as the Accountable Body for the NELEP. The agreements reflect the requirements and obligations placed on the funding by the funding providers including any provisions relating to clawback. The recipient local authorities will be required to enter into appropriate funding agreements to enable the release of LGF funding.

8. Other Considerations

8.1 Consultation/Community Engagement

Consultation will take place with stakeholder groups, in accordance with Stakeholder Engagement Plans developed on a scheme-by-scheme basis and set out in each scheme business case.

8.2 Human Rights

There are no specific human rights implications arising from this report.

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8.3 Equalities and Diversity

The implementation of the scheme proposals will have a positive impact on low income and vulnerable groups by making walking, cycling and bus travel safer and more convenient.

8.4 Risk Management

Risk register are being developed as part of each individual scheme business cases. There is prime risk of non-delivery of the LGF transport programme in 2015/16 should scheme grant funding release be delayed.

8.5 Crime and Disorder

There are no crime and disorder implications arising from this report.

8.6 Environment and Sustainability

Progressing proposals outlined in this paper will assist the Combined Authority in achieving a more sustainable transport system for the region.

9. Background Documents

LSFT Capital Package Outline Business Case (as included in the Strategic Economic Plan).

10. Links to Plans in the Policy Framework

This report has no direct link to plans in the policy framework.

11. Appendices

Appendix 1 – table showing the individual schemes within the LSTF Capital Package with notional budget allocations included.

12. Contact Officer

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13. Sign off

Head of Paid Service ✓
Monitoring Officer ✓
Chief Finance Officer ✓

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APPENDIX 1: NECA LSTF Capital Scheme Spend Profiles (latest June 2015)

Lead Partner	Scheme Element					Total
	UTMC 2015/16 (£2.781m)	Gateway Improvements 2015/16 (~£450K)	Strategic Cycle Scheme Package 2015/16 (£570K)	Strategic Cycle Scheme Package 2016/17 (£3.620m)	Green Lights (Scooters) 2015/16 (£100k)	
NECA (NCC to project manage)	£2.781m (split of £2.3m Tyne & Wear; £481k Durham)				£100k (delivered through Go Smarter)	£2.881m
Durham		£83k (RTPI = £43k)	£150k	£450k		£683k
Gateshead			£180k (design of joint NCC/ GC route)	£710k – GC and NCC to agree split of this		Tbc (535)
Newcastle		£69.5k (RTPI = £48.5k)				Tbc (425)
North Tyneside			£65k	£585k		£650k
Northumberland		£107.4k (RTPI = £92.5k)	£10k	£590k		£707.4k
South Tyneside		£51.2k (Newcastle Airport) (RTPI = £37.5k)	£65k	£585k		£701.2k
Sunderland		£136k (RTPI = £76k)	£100k	£700k		£936k
Total	£2.781m	£447.1k (RTPI = £297.5k)*	£570k	£3.620m	£100k	£7.519m

*Note: The RTPI elements of the Gateway Improvements will be drawn together in a separate project to be delivered by Nexus.

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