

TELFORD & WREKIN COUNCIL

CABINET - 22 SEPTEMBER 2011

LOCAL SUSTAINABLE TRANSPORT FUND

REPORT OF HEAD OF ENVIRONMENTAL SERVICES

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 The purpose of this report is to confirm the recent announcement from the Department for Transport (DfT) regarding the Local Sustainable Transport Fund (LSTF). It also seeks approval for implementation of the associated bid 'Telford Future: Local Action for Sustainable Growth'.
- 1.2 The LSTF is a fund set up by DfT to support sustainable transport projects that deliver economic growth and reduce carbon emissions. The Council's bid to the LSTF was for two elements; the first element is a Large Project which covers Telford town centre and is key to the delivery of the adopted Central Telford Area Action Plan and the release of land for development. The second element is a Key Component which is a package of smaller scale sustainable transport initiatives to help distribute the economic and environmental benefits of the Large Project throughout the rest of the Borough.
- 1.3 The total cost of the Large Project is estimated to be £11.819m. The cost of the Key Component Project is £6,522,615. The DfT has now confirmed an offer of £3,525,920 in grant towards the Key Component Bid; the balance of funding is made up of £2,996,979m of match funding from existing Council programmes and third parties' programmes such as Network Rail. For the Large Project the Council has been shortlisted to submit a full business case to DfT by the 20th December, with a decision expected by the end of June 2012. The Council is one of 13 authorities invited to submit a business case for Large Project funding.
- 1.4 The report seeks approval for acceptance of the Key Component Grant of £3,525,920 and for the preparation of the Large Project Transport Business Case. Further reports on the latter will be submitted in due course.

2. RECOMMENDATIONS

That Members approve: -

a) The acceptance of £3,525,920 of DfT Local Sustainable Transport Funding (LSTF) to deliver the Key Component projects as set out in the Council's submission to the DfT's LSTF over the period 2011/12 – 2014/15.

b) The development and submission of a full business case for funding for Telford Town Centre to support the redevelopment of the Box Road; with delegated authority to the Head of Environmental Services in consultation with the Cabinet Member for Environment, Transport and Community protection, Cabinet Member for Housing, Regeneration and Economic Development and Cabinet Member for Resources and Service Delivery to agree the content of the full business case for submission by 20th December 2011.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	<p><u>Housing, Regeneration and Prosperity Priority</u></p> <p><u>Environment and Rural Area Priority</u></p> <ul style="list-style-type: none"> • <i>Protect and enhance the Green Network and Promote a Sustainable Community for Local People:</i> <ul style="list-style-type: none"> - <i>Protect and enhance the green network and biodiversity of the Borough</i> - <i>Reduce use of energy, amount of waste produced and CO₂ emissions through the operations and services of the Council</i> - <i>Ensuring a sustainably designed environment</i>

		<ul style="list-style-type: none"> • <i>Maintaining a Clean, Quality Environment and Public Realm</i> <ul style="list-style-type: none"> - <i>Improve and maintain the condition of roads, footways, rights of way and the street scene</i> • <i>Improving Mobility around the Borough:</i> <ul style="list-style-type: none"> - <i>Design, deliver and manage a transport network which supports sustainable economic growth and promotes travel for all</i> - <i>Minimise increase in levels of congestion</i> - <i>Optimise accessibility to local facilities including healthcare, education and employment in Telford Town Centre, Borough Towns and the rural area</i> <p><u>Active Lifestyles</u></p> <ul style="list-style-type: none"> • <i>Actively encourage people to do more, enjoy more and feel better</i> - <i>To develop services that meets the needs of the community</i>
	<p>Will the proposals impact on specific groups of people?</p> <p>No</p>	
<p>TARGET COMPLETION/DELIVERY DATE</p>	<p><i>Target Completion - March 2015</i></p> <p><i>Large Project Milestones</i></p> <ul style="list-style-type: none"> • <i>Completion of Transport Business Case – December 2011</i> • <i>DfT decision on large project – June 2012</i> • <i>Completion of statutory procedures – December 2012</i> 	

	<ul style="list-style-type: none"> • <i>Completion of detailed design – May 2013</i> • <i>Construction starts – November 2013</i> • <i>Works complete – March 2015</i> <p><i>Key Component Milestones</i></p> <ul style="list-style-type: none"> • <i>Completion of improved linkages to Telford Central Railway station – April 2013</i> • <i>Completion of improvements to Silkin Way – April 2014</i> • <i>Completion of improvements to Stafford-Telford Cycle Route (NCN 55) – March 2015</i> • <i>Completion of Gorge Connect park and ride – April 2012</i> • <i>Low Carbon Life skill training for schoolchildren, area travel planning and personalised journey solutions – all operative during the period 2011/12-2014/15</i> 		
<p>FINANCIAL/VALUE FOR MONEY IMPACT</p>	<p>Acceptance of the bid will significantly enhance the Council's Local Transport Plan Integrated Block allocation over the next four years. The bid also provides much needed revenue support for the Forward Capital Programme. The monetary transport and road safety benefits of the LSTF strategy outweigh its cost by a factor of more than 3:1, based on cost benefit analysis</p>		
<p>LEGAL ISSUES</p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 15%; text-align: center;">Yes</td> <td>The Council has the powers to carry out the recommendations contained within this report. The offer of grant for the key component is made pursuant to Section 31 of the Local Government Act 2003 and is likely to be conditional upon the Council accepting full responsibility for the project going forward. There are also likely to be conditions relating to monitoring and accountability. With respect to the large project a further report will be brought back to Cabinet if the bid is successful detailing any</td> </tr> </table>	Yes	The Council has the powers to carry out the recommendations contained within this report. The offer of grant for the key component is made pursuant to Section 31 of the Local Government Act 2003 and is likely to be conditional upon the Council accepting full responsibility for the project going forward. There are also likely to be conditions relating to monitoring and accountability. With respect to the large project a further report will be brought back to Cabinet if the bid is successful detailing any
Yes	The Council has the powers to carry out the recommendations contained within this report. The offer of grant for the key component is made pursuant to Section 31 of the Local Government Act 2003 and is likely to be conditional upon the Council accepting full responsibility for the project going forward. There are also likely to be conditions relating to monitoring and accountability. With respect to the large project a further report will be brought back to Cabinet if the bid is successful detailing any		

		conditions which are applicable prior to acceptance.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>Other Impacts The LSTF strategy will help transform the town centre and will have a wide reaching environmental, economic and social impact throughout the Borough. In particular the project will support the following objectives:</p> <ul style="list-style-type: none"> • Create a vibrant and sustainable heart for Telford Town Centre • Support the improvement of cultural, leisure and event facilities as well as the provision of new homes, offices and retail developments • Deliver and promote high quality buildings and public realm which will transform the image of Telford • Attract new jobs, new opportunities and inward investment • Create a place in which people want to work, live and which people can visit and enjoy • Create a place to be proud of <p>Risks <i>Satisfactory completion of outstanding statutory procedures and identification of match funding. These will be addressed as part of the preparation of the Transport Business Case and at the detailed design stage.</i></p> <p>Opportunities <i>The LSTF strategy provides a vital opportunity to secure additional funding towards the continued implementation of the transport infrastructure set out in CTAAP. It helps bring forward the delivery of Council owned land for development. It gives the Council the opportunity to reduce carbon emission and to create a significant number of new jobs in the Central Telford area.</i></p>
IMPACT ON SPECIFIC WARDS	Yes	The regeneration of Telford Town Centre will have a Borough wide impact. Specific associated regeneration activities will be undertaken in the following wards:

		<ul style="list-style-type: none"> • Malinslee Ward – Cllr K Sahota and Cllr S Davies, • The Nedge Ward – Cllr N England, Cllr B McClements and Cllr C Turley, • Lawley & Overdale Ward- Cllr J Greenaway and Cllr R Picken <p><i>The key component will have a Borough wide impact</i></p>
--	--	--

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 Background

- 4.1.1 The Local Sustainable Transport Fund is a major initiative that was launched by the Department for Transport (DfT) in January 2011 in support of the Local Transport White Paper 'Creating Growth, Cutting Carbon: Making Sustainable Local Transport Happen.'
- 4.1.2 Nationally it will provide £560m over the next four years to enable local highway authorities to implement measures to create jobs and cut carbon emissions, with the fund split 60% revenue funding and 40% capital funding.
- 4.1.3 For Telford our LSTF submission outlined a strategy based around a large project to transform the Town Centre Box Road, supporting the Council and local community's aims to regenerate Telford town centre; and a programme of 'Key Component' projects and initiatives across the borough to complement the large project bid but to help distribute the associated economic and environmental benefits throughout the rest of the Borough.
- 4.1.4 The Key Component and larger project bids were submitted to the DfT on 18 April and 6 June respectively. The Key Component submission includes projects to upgrade the Silkin Way through the borough, improvements to the cycle route between Stafford -Telford (NCN 55), implement a Park & Ride scheme for the Ironbridge Gorge World Heritage Site, improve walking links between Telford Central railway station and Telford town centre, and a range of sustainable transport

support programmes to help businesses and individuals switch to sustainable transport modes in the borough.

- 4.1.5 In July the Council was notified that its Key Component submission had been successful (DfT chose not to fund one project to improve walking and cycling links to the Wrekin as the project was considered not to provide enough benefits in terms of economic growth). The total value of the Council's approved Key Component LSTF package is £6,522,615; consisting of £3,525,636 DfT LSTF monies and £2,996,979 in match funding (with funding contributions set out in section 5.2 of this report). The Council is putting in place delivery arrangements to ensure successful delivery of the projects outlined in the Key Component submission and will be required to work closely with DfT in reporting the progress and outcomes from those projects.
- 4.1.6 The Large Project bid is vital both for the successful delivery of the Central Telford Area Action Plan (CTAAP) and will enable the release of privately owned and Council owned land for development purposes. The proposed project consists of making the Box Road a two-way road, with associated junction improvements. The focus on design will be to enable vehicle movements to support access to the town centre, but supporting much easier pedestrian and cycling movement around Telford, through at grade crossing points and a focus on quality urban design. The scheme is integral to link existing development sites such as the Shopping Centre with new development sites such as the Southwater Development area. The LSTF proposal is in accordance with the transport strategy set out in the Central Telford Area Action Plan.
- 4.1.7 The total value of the large project submission is £11.819m, made up of a maximum of £8.791m from DfT and an estimated £3.028m from council and development contributions. The Council has been asked to work up a full business case which include doing further design and modelling work on the preferred proposal, further option appraisal, demonstrating that the project supports economic development and carbon reduction and that the Council has clear procedures in place to ensure successful delivery of the scheme, including financial management and appropriate procurement methods. This business case will need to be submitted by 20th December 2011 and a decision on whether it is successful or not is expected by June 2012.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

5.1 Community Impact

- 5.1.1 The Council's Core Strategy Development Plan Document, which was adopted in December 2007, recognises the key role that central Telford has to play in improving the vitality and viability of the town and its position at the heart of the Borough.
- 5.1.2 The supporting Central Telford Area Action Plan (CTAAP) confirms that the town centre is key to realising the wider vision for Telford as a sustainable 21st century town. Indeed ongoing development of a vibrant and forward looking town centre is deemed crucial to the future economic success of the whole Borough. The town centre acts as a central hub to all of the surrounding communities as well as providing the retail and business core for continued housing expansion throughout the district.
- 5.1.3 CTAAP was considered by an Independent Planning Inspector at an Examination in Public in September of last year and was subsequently adopted as Council policy in March of this year.
- 5.1.4 The plan sets out extensive development proposals covering the retail, office, residential, leisure, conference/hotel and cultural sectors and provides the appropriate framework for the recent Southwater, ASDA, Telford International Centre (TIC) and Red Oak planning applications.
- 5.1.5 CTAAP proposes significant improvements to the public realm, particularly along Coach Central, in order to facilitate the sustainable expansion of the Primary Shopping Area (PSA) and to help create a more pleasant and safe environment for pedestrians and cyclists alike. This involves the conversion of the Town Centre Box Road to two way working.
- 5.1.6 A bid was subsequently submitted to the Local Sustainable Transport Fund in support of the above measures entitled 'Telford Future: Local Action for Sustainable Growth'. The strategy will help to distribute the economic and environmental benefits throughout the Borough.
- 5.1.7 In total the overall number of jobs associated with CTAAP is estimated to be over 4000. However, not all the CTAAP developments are likely to take place during the LSTF period and the number of jobs associated with the first phase of development has initially been estimated at over 1300. The anticipated carbon savings are estimated to be over 37,000 tonnes per year from the large project alone.
- 5.1.8 In addition to the large project, the LSTF strategy incorporates several high profile schemes including improved links to Telford Central Railway Station, improvements to the Green Network, including Silkin

Way and the Stafford - Telford national cycle route (NCN 55), low carbon life skill training for schoolchildren, Gorge Connect Park and Ride as well as Area Travel Plans and personalised journey solutions.

5.1.9 In summary the benefits of the strategy are as follows:

Supporting Economic Growth	Benefits of the large project alone in transport and safety terms have been calculated to be more than 3 times the cost of the scheme. It supports the creation of over 1300 jobs and construction of over 2500 dwellings. The LSTF strategy will also improve access and travel choice to key destinations, including Telford town centre, Telford Central railway station, industrial estates and leisure and business tourism destinations such as Ironbridge Gorge World Heritage Site and the Telford International Centre.
Reducing carbon emissions	It reduces carbon emissions through a mixed strategy of providing better strategic links between residential, commercial, industrial, retail and tourist destinations and a strong emphasis on programmes to encourage a cultural shift towards sustainable modes.
Promoting Equality of Opportunity and Social Inclusion	Investment in low carbon, low cost transport choice will help improve travel horizons and opportunities especially for groups such as the young and unemployed through measures such as easier to use, cleaner, safer cycle routes and transport programmes tailored to bespoke needs such as Wheels 2 Work.
Contributing to Better Safety, Security and Health	Key additional benefits of the bid will include road safety and sustainable travel promotion as well as the health benefits of active travel. These benefits will be achieved through integrating safety and health into the development, delivery and promotion of programmes; examples include child pedestrian training (sustainable, active and safe travel).
Improving Quality of Life and a Healthy Natural Environment	Investment in infrastructure and the public realm supported by programmes to encourage up take of low carbon travel will help reduce the impact of transport on the natural environment. The additional benefits of low carbon travel such as better air quality and less congestion especially outside key attractors such as work places, schools and tourist destinations will help improve quality of life.

5.2 Financial Comment

Key Component Scheme

5.2.1 The total cost of the Key Component scheme is £6,522,615, of which £3,525,636 grant has been offered under Section 31 of the Local Government Act 2003. The allocation between capital (£4,751,520), Table 1, and revenue (£1,771,095), Table 2, programme costs and their funding is show in the tables below.

Table 1: Key Component Scheme Expenditure and Capital Funding

Cost (£)	2011/12	2012/13	2013/14	2014/15	Total
Telford Central Interchange Project	1,255,000	585,156	0	0	1,840,156
Silkin Way Multi-User Route	0	454,580	392,580	0	847,160
Telford - Stafford cycle route	0	205,000	100,000	100,000	405,000
Gorge Connect Park and Ride	549,460	329,744	0	0	879,204
Low Carbon Life Skills	70,000	70,000	70,000	70,000	280,000
Area Travel Plans (ATPs)	120,000	80,000	60,000	40,000	300,000
Personalised Journey Solutions	45,000	60,000	50,000	45,000	200,000
	2,039,744	1,784,480	672,580	255,000	4,751,520

Funding (£)	2011/12	2012/13	2013/14	2014/15	Total
Local Sustainable Transport Fund	594,744	986,217	437,580	110,000	2,128,541
National Station Improvements Programme	1,000,000				1,000,000
Network rail	35,000				35,000
LTP3	290,000	580,000	235,000	145,000	1,250,000
Parks for People Project		158,000			158,000
NHS Funding	120,000	60,000			180,000
	2,039,744	1,784,217	672,580	255,000	4,751,520

Table 2: Key Component Scheme Expenditure and Revenue Funding

Cost (£)	2011/12	2012/13	2013/14	2014/15	Total
Telford Central Interchange Project	27,000	96,166	17,555	0	140,721
Silkin Way Multi-User Route	0	34,700	52,895	10,127	97,722
Telford - Stafford cycle route	0	20,500	18,000	13,000	51,500
Gorge Connect Park and Ride	42,979	169,551	126,346	143,276	482,152
Low Carbon Life Skills	118,000	153,000	133,000	68,000	472,000
Area Travel Plans (ATPs)	38,000	63,000	63,000	168,000	332,000
Personalised Journey Solutions	35,000	60,000	60,000	40,000	195,000
	260,979	596,917	470,796	442,403	1,771,095

Funding (£)	2011/12	2012/13	2013/14	2014/15	Total
Local Sustainable Transport Fund	174,979	495,917	354,796	371,403	1,397,095
Shropshire Council		20,000	20,000		40,000
NHS Funding	60,000	55,000	70,000	45,000	230,000
Council revenue Budgets	26,000	26,000	26,000	26,000	104,000
	260,979	596,917	470,796	442,403	1,771,095

5.2.2 A formal offer letter is awaited for this grant which will confirm the full terms and conditions. It is anticipated that TWC will be the accountable body for this grant and as such will be required to evidence all match and third party contributions.

5.2.3 The Department for Transport has stated that there will be no opportunity to carry forward any unspent funds into subsequent financial years, therefore robust monitoring procedures will be established including the evidencing of third party contributions. The 2011/12 programme includes £1m from the National Station Improvements programme, which must be spent in this financial year. Financial support will be provided to the project as appropriate to ensure financial reporting requirements of the grant are met.

5.2.4 There will be ongoing revenue operating costs associated with the Gorge Connect Park and Ride Scheme. Sponsorships and other sources of income to fund these costs will be investigated during the implementation period.

Large Project Bid

5.2.5 The total cost of the Large Project Scheme is £11,819,000 of which £8,791,000 funding contribution was sought from the Department for Transport. The programme costs and funding are shown in Table 3 below.

Table 3: Large Project Bid Estimated expenditure and funding

Cost (£000's)	2012/13	2013/14	2014/15	Total
Town Centre Shared Scheme Space (Capital)	271	2,874	8,554	11,699
Town Centre Area Travel Plan (Revenue)	40	40	40	120
	311	2,914	8,594	11,819

Funding (£000's)	2012/13	2013/14	2014/15	Total
Local Sustainable Transport Fund	40	1,255	7,496	8,791
LTP3	59	59	440	558
Developer Contributions	212	1,600	658	2,470
	311	2,914	8,594	11,819

5.2.6 On 3 August, the DfT announced that the Large Project bid had been successfully shortlisted for further consideration, and it will now be necessary to prepare a full Transport Business Case. This will need to be submitted to DfT by December 2011 with a final decision being made in June 2012. The cost of developing the business case is estimated to be up to £100,000 (dependent upon DfT requirements) which will be met from one off in year underspends within the Highways and Transport service area.

5.2.7 Financial support will be provided in the preparation of this business case, and the monitoring systems which will need to be established should the bid be successful, and further reports will be brought forward as necessary.

5.3 Legal Comment

5.3.1 As above

5.4 Opportunities

5.4.1 As outlined above, the LSTF bid provides the Council with a significant opportunity to support the redevelopment and regeneration of Telford town centre, in accordance with the strategy set out in the Central Telford Area Action plan. For a bid to be successful it is important that it demonstrates delivery of economic growth and reduction in carbon emissions.

5.5 Risks

5.5.1 The project is subject to normal risks associated with large transport schemes such as ensuring all statutory processes are complete and that the project can be successfully delivered within the timescale set out. These risks will be addressed as part of the development of a full business case. A particular risk for Telford's large scheme is to ensure that there is a sufficient local contribution to demonstrate local commitment to the project and that developer contributions are available in line with the spend profile for the delivery of the large project on site.

5.5.2 For the Key Component submission the key risk relates to the fact that funding cannot be carried forward between years so as a minimum the Council must deliver the Key Component projects in line with the programme set out in section 5.2; DfT have indicated they would be willing to allow early delivery of projects and therefore early release of funds for future years. The Council will need to ensure that the Key Component projects deliver the outcomes set out in the Council's submission, as the programme will be monitored and evaluated by DfT.

Ward Impact

As above.

5 PREVIOUS MINUTES

6.1 None

**Report prepared by Geoff Kitching, Transport Planning Team Leader & Stuart Freeman, Highways and Transport Service Delivery Manager:
01952 384601**