



DECISION OF COUNCILLOR ELFAN AP REES

THE EXECUTIVE MEMBER FOR STRATEGIC PLANNING, HIGHWAYS, ECONOMIC
DEVELOPMENT AND HOUSING.

WITH ADVICE FROM
THE DIRECTOR OF DEVELOPMENT AND ENVIRONMENT

DECISION NO. 16/17 DE 160

SUBJECT:

**Sustainable Travel Transition Fund Year (STTY) funding approval and mobilisation
(2016/17 programme approval)**

Background:

On 12 April the Council's Executive considered the Sustainable Travel Transition Fund (STTY) Bid 2016/2017.

The Executive agreed the following recommendations:

1. For the Executive to endorse the North Somerset Council 'Sustainable Travel Transition Fund' (STT) bid to the Department for Transport (DfT) submitted on 29 March 2016 under delegated authority.
2. For highways and finance officers to explore the relationship between the STT bid and the capital programme's Medium Term Financial Plan (MTFP), for instance finalising match funding opportunities.

The funding, which has now been granted from the DfT in early June 2016, will be made available through the STTY funding 'pot', the programme will be delivered in 2016/17. Other West of England authorities have applied for their own allocation at the same time through a joint bid and have also been successful.

DECISION:

- **To approve mobilisation of the STTY programme, subject to the recently successful funding bid.**
- **To authorise the increase gross revenue budget by £450,000**

Reasons:

The bid submitted is for up to £450,000 of additional funding and the committee report set out how North Somerset would allocate this locally. As a whole, the West of England successfully applied for £2.2 million from £20 million available nationally, this equates to over a 10% share nationally. This will increase the amount of sustainable travel funded work, which is possible within this timeframe. This includes walking and cycling initiatives, public transport 'iPoints', working with our local businesses, schools and communities to improve access and sustainable travel provision through grant funding. The STTY award will complement our Local Growth Fund (LGF) and Office for Low Emission Vehicle (OLEV) bids and awards.

STTY builds on the previous successes in developing sustainable travel and public transport provision within the area. Together with our 5 years' experience of delivering smarter choices programmes through LSTF, the £440M investment in transport in the West of England since 2006 has paid dividends. Bus and rail patronage has risen in excess of 10% from 2014 and Bristol retains the title of having more people commuting to work by bicycle or foot than any other local authority in England and Wales, reducing congestion and improving air quality. Through targeted engagement, support services and a robust communications strategy, 'Travel West Transition' is in a strong position to build on these achievements with 90% of people who work in the region also living there. Over the last three years North Somerset has successfully secured approximately £1.3 million pounds of funding per annum through LSTF and LSTF2 funding. The LSTF programme has now been successfully completed, coming to an end in March 2016.

Over the last three years the LSTF programme has seen public realm improvements in Oxford Street and Walliscote Road in Weston-super-Mare, schemes such as the 'Commuter Coach' to the North Fringe of Bristol from Weston, Clevedon and Portishead. In addition to this, bus improvements such as the 'A2' service to Bristol Airport, 'X1, X2 & X3' routes, the first phases of the 'Coastal Towns Cycle Route' from Portishead to Brean and the completion of the 'Festival Way' shared use route for walking and cycling between Nailsea and Bristol.

The award for STTY will continue to deliver our Local Transport Plan targets to reduce congestion and CO2 levels, cut the amount of pollution from harmful carcinogenic gases such as carbon monoxide and improve local people's health, fitness and well-being.

The criteria set by the Department for Transport (DfT) for the STTY bid included financial restrictions and key outcomes and outputs. The key output criteria are;

- 1. Reducing Carbon**
- 2. Supporting the local economy and economic development**
- 3. Delivering wider social benefit, through access to employment and services**
- 4. Actively promoting an increase in physical activity through walking and cycling**
- 5. "Bidders should note the prime minister's commitment to walking and cycling"**

Other Alternatives Considered:

North Somerset Council considered submitting an independent funding bid for STTY instead of a joint West of England bid. The opportunity could potentially have meant applying for a slightly higher amount of funding. For instance, single bids are awarded between £350,000 and £500,000. A joint bid had a maximum of £2.2 million between the four authorities. This meant the maximum amount North Somerset Council was likely to be eligible for is £415,000 as a part of the West of England consortium, (using the usual 'population head' funding split

of approximately 20% of the total West of England allocation). As the STTY bid was a highly competitive bidding process due to LSTF finishing nationally in 2015/16, the likelihood of achieving a £500,000 funding bid was highly unlikely given North Somerset's relative size as an authority nationally. Therefore a decision was taken to bid together as a larger area to ensure a greater chance of success representing a larger population and area. We have since been granted the maximum amount of funding available to the West of England area and North Somerset will benefit from £415,000 of funding.

Various other schemes were considered for inclusion in the bid such as a wider public transport offering, however the criteria were not specific regarding public transport and it was believed a more comprehensive walking and cycling offer had a greater chance success as this was mentioned as one of the four key criteria. The West of England challenged the inclusion of 'iPoints' due to this being viewed as capital infrastructure provision, however this was still included and a decision was taken by officers to bid for £50,000 for iPoints, with a view to spending the funding on back office functionality and software as opposed to the physical iPoints themselves.

Risk Assessment:

Figure 2 below shows the risk register for STTY:

Risk Owner	Source of Risk	Consequence	Pre Response			Specific Action	Post Response		
			Probability	Impact	Risk Rating		Probability	Impact	Risk Rating
Programme Board	Insufficient authority or partner delivery resource	Delays to the delivery of programme measures and impact on quality	M	H	H	<ul style="list-style-type: none"> Build on well-established delivery teams from WEST Ensure realistic Project Plans are signed off by the Programme Board Ensure sufficient resources are identified and available to progress delivery in line with Project Plans Top-sliced funding identified for dedicated Programme Manager and Core Team Early arrangements for continuation or commencement of new partnering or procurement arrangements 	M	M	M
Programme/ Project Managers	Schemes do not deliver projected outcomes	Failure to deliver benefits	M	H	H	<ul style="list-style-type: none"> Ensure project outcomes are well defined and reflected in Evaluation Plan Programme and change management process to have regard to scheme benefits 	M	M	M
Programme Board	Impact on reputation from poor project delivery or outcomes	Impact on reputation results in loss of Government confidence and future funding opportunities	M	H	H	<ul style="list-style-type: none"> Establish robust governance and programme/project management arrangements. Regular liaison and progress reporting to DfT to ensure expectations are met. 	L	M	L
Programme Board	Failure to deliver local contribution	Insufficient funding to complete the programme measures	M	M	M	<ul style="list-style-type: none"> Letters of support to formalise partner contributions. Involvement of key stakeholders in governance and delivery arrangements. Close monitoring and regular reporting of local contribution spend and status. Commitment to authority funding contributions. 	L	M	L
Programme Board	Underestimation of scheme costs	Cost increases	M	M	M	<ul style="list-style-type: none"> Develop detailed and costed Project Plans for individual Projects. Benchmarking of costs against previous schemes. Strong Programme Management and change control process operated. Good project management including regular reporting to the Programme Board and JTEC. 	L	M	L
Programme Board/ Programme Manager	Failure to secure all DfT funding	Insufficient funding to complete the programme measures	M	M	M	<ul style="list-style-type: none"> Close adherence to DfT grant funding requirements. Robust programme and project management to ensure delivery in line with funding profile. Regular liaison and progress reporting to DfT. 	L	M	L
JTEC/ Programme Board	Cross boundary governance arrangements fail to provide robust decision making and change control process	Impact on timely delivery of programme elements and on reputation	M	M	M	<ul style="list-style-type: none"> Build on well-established governance arrangements for LSTF WEST and other cross boundary schemes. Define process and tolerances for escalating issues and change requests to the Programme Board and Joint Transport Executive Committee 	L	M	L
Programme/ Project Managers	Contractor, operator or supplier cease trading or change ownership	Increased scheme cost and delays to the programme	L	M	L	<ul style="list-style-type: none"> Thorough vetting of contractors etc in line with authority policies and procedures 	L	M	L
JTEC	Objections to TRO's	Programme delayed or scheme components terminated	L	M	L	<ul style="list-style-type: none"> Positive Member support Early consultations to ascertain likely objections 	L	L	L
Programme/ Project Managers	Effects of inflation on costs	Cost increases exceed available budget	L	L	L	<ul style="list-style-type: none"> Robust estimate of future inflation levels. Impact of inflation changes will be monitored to enable forward planning of budgets 	L	L	L

The main risk was not being successful with the funding bid and realising future North Somerset transport aspirations contained within the Local Transport Plan (LTP) and the Joint Local Transport Plan (JLTP3). The successful funding award allows us to maximise LTP funding, and respond to local people's transport needs in North Somerset and in particular Weston-super-Mare as it develops economically.

Financial Implications:

The DfT have specified the financial criteria for the award are for revenue only. North Somerset Council were expected to match this through local 'block grant' sources, including

capital funding from the Local Growth Fund (LGF), but not competitively awarded central DfT funds. It should be noted the DfT specified a direct correlation between LGF capital schemes and the revenue support, which we have been awarded for STTY. Match funding requirements were for 10% from any revenue sources or 30% through capital sources. The West of England's interpretation of this is on a 'line by line' basis for work packages and/or individual schemes. As the STTY bid has been successful it will provide additional funding to the authority through the DfT. In general, the financial implications of the STTY award are positive for North Somerset, delivering the aspirations of North Somerset Council's Local Transport Plan (LTP) more quickly than would previously have been possible. As this is the case, much of the 'match funding' is from work proposed already within the LTP or the Local Growth Fund (LGF) for 2016/17.

The award will bring in up to £450,000 of new STTY funding for the authority from the DfT. In addition, approximately £470,000 of 'capital' has been sought through the Local Growth Fund from the Local Enterprise Partnership (LEP). Therefore both the capital and revenue elements for each bid are aligned to support the Strategic Economic Plan (SEP) for the West of England LEP and complement each other supporting new infrastructure provision in North Somerset. In terms of an exit strategy, North Somerset Council plan to apply for a further 3 years of funding post 2016/17 through the emerging 'Access Fund'. It is envisaged subsequent years will continue with similar annual levels of funding by re-applying to the DfT and the LEP, this will be for both revenue and capital projects. In 2020 we will review any future funding opportunities on a case by case basis.

Figure 1. Please see table overleaf summarising the measures and the funding split. The table illustrates the amount of funding North Somerset have chosen to bid for, with examples of match funding opportunities.

North Somerset Council STT Work Package Programme 16/17			
Work Package	STT Amount (£)	Measures	Match funding
WP 1: Business & Growth	98,000	Employer and employee grants, sustainable travel incentives e.g. bus tickets, loan bikes etc. Working with Chamber of Commerce, The Hive, Economic Development	15,000 (LTP grants/ Sustainable Travel Team staff time)

WP 2: Education & Communities	98,000	Community and school grants e.g. cycle parking, shelters, lockers, showers etc. Working with local residents, VANS, housing developers, schools, colleges.	15,000 (LTP grants/ Sustainable Travel Team staff time)
WP 3: Digital Public Transport & Walking & Cycling	155,000	iPoints, Real Time Information, Sustainable Travel Awards, permissions and detailed design for cycle hire, website and app, all abilities cycling, health promotion, apprenticeships, jobs in cycling, marketing and communications, Personalised Travel Planning	£50,000 iPoints (LTP) and advertising revenue, £70,000 Coastal Route and Cycle Hire (LTP), monitoring £3,000, £20,000 Sustainable Travel Team staff time, £20,000 (Signing LTP) £10,000 Marketing & communications staff time
West of England and NSC costs	64,000	Travel West website, Monitoring, Bus checker app, programme and project management	
Total	415,000		203,000

Implications for Future Years:

Implications for future years are positive and will further the aims of the Medium Term Financial Plan, which were envisaged to take longer after the end of LSTF funding. Further new revenue funding through the 'Access Fund' has recently been announced, and will be made available for local authorities to bid for from the DfT. This will again further the aims of the transition year funding in 2016/17. These funds will most likely be made available over a longer time frame from March 2017 to March 2020. We are starting the Access Fund bidding process from early July 2016.

Signed..... The Executive Member for Strategic Planning,
Highways, Economic Development and Housing

Date.....

Signed..... Director of Development and Environment

Dated.....

Signed..... Head of Finance

Date.....