

# WIRRAL COUNCIL

## CABINET

24 NOVEMBER 2011

<b>SUBJECT:</b>	<b>LOCAL SUSTAINABLE TRANSPORT FUND (LSTF) – ACCEPTANCE OF ‘KEY COMPONENT’ FUNDING</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF TECHNICAL SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR HARRY SMITH STREETSCENE AND TRANSPORT SERVICES</b>
<b>KEY DECISION?</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 On the 19<sup>th</sup> January 2011 the Government, as part of the Local Transport White Paper, issued guidance regarding the creation of a £560 million Local Sustainable Transport Fund (LSTF). The purpose of this fund was to help build local economies and address climate change. Authorities were invited to bid to secure funding via the Department for Transport (DfT). The fund, both revenue and capital, is available over four financial years 2011/12 to 2014/15.
- 1.2 Metropolitan Authorities were required to bid through their respective Integrated Transport Authority (ITA) and in June 2011, Merseytravel, on behalf of the Merseyside Transport Partnership (MTP) submitted an early smaller bid, known as a Key Component bid, for £4.877 million. The project was to “Facilitate Sustainable Access to Employment in Merseyside”. £810,000 of the total Key Component bid was for the delivery of projects in Wirral.
- 1.3 Merseytravel, on behalf of the MTP, were informed on the 5<sup>th</sup> July 2011 that the Key Component bid was successful and this report provides the background to this project, advises Members of the broad proposals for scheme delivery and outlines the process for the major bid to the LSTF.
- 1.4 This funding will assist the Council to support Wirral residents to access employment opportunities, as well as encouraging the use of sustainable transport which will contribute to reducing carbon emissions in the Borough.
- 1.5 This report seeks authority from Cabinet to accept the funding from Merseytravel and delegated authority to the Director of Technical Services in conjunction with the Director of Law, HR & Asset Management to enter into a funding agreement with Merseytravel.

## **2.0 RECOMMENDATION/S**

### **2.1 Cabinet is requested to:**

(1) Note the success of Wirral Council officers and other partners in securing 'Key Component' funding and the elements of the Merseyside LSTF project to be delivered in Wirral;

(2) Approve the acceptance of 'Key Component' funding from Merseytravel totalling £810,000 over four years 2011/12 to 2014/15;

(3) Delegate authority to the Director of Technical Services in conjunction with the Director of Law, HR and Asset Management to finalise the funding agreement between Wirral Council and Merseytravel (ITA) as lead authority and accountable body.

(4) Approve the detailed proposals for 2011/12 set out in section 5.0 of this report and request officers to report to a future meeting on progress in delivering 'Key Component' projects and detailed plans for 2012/13 onwards.

## **3.0 REASON FOR RECOMMENDATIONS**

3.1 Cabinet is aware of the significant reduction in funding for transport following the Local Transport Plan (LTP) Settlement earlier this year. The funding available through the LSTF provides the opportunity to deliver additional projects and schemes in Wirral which will assist in the removal of transport as a barrier for people seeking employment, as well as supporting and delivering projects which will secure carbon reduction.

3.2 2011/12 is the first year of the four year programme and the DfT have indicated that any unspent allocations cannot be carried forward into the following year. £110,000 of funding has been allocated to Wirral for 2011/12 and the Director of Technical Services seeks approval to accept this funding so that project delivery can commence from the 1<sup>st</sup> December 2011 so that the £110,000 detailed in Section 5 can be spent within the current financial year as required.

## **4.0 BACKGROUND AND KEY ISSUES**

4.1 On the 19<sup>th</sup> January 2011 the Government, as part of the Local Transport White Paper, issued guidance regarding the creation of a £560 million LSTF to help build strong economies and address climate change. The fund, both revenue and capital, is available over four financial years 2011/12 to 2014/15.

4.2 The purpose of the fund is to enable the delivery of sustainable transport solutions that support economic growth whilst reducing carbon. The LSTF guidance states that, "solutions should be geared to support jobs and businesses by tackling congestion, improving reliability and predictability of journey times, enabling economic investment, revitalising town centres and enhancing access to employment". The guidance states that "the solutions should also bring about changing patterns of travel behaviour and greater use of more sustainable modes and so deliver a reduction in carbon and other harmful emissions". It is noted that the fund also provides the opportunity to take an integrated approach to meeting local challenges and to delivering

additional wider social, environmental, health and safety benefits for local communities.

- 4.3 In Metropolitan areas the DfT indicated that it expected to see an application come from the ITA and as such the MTP (Merseytravel and the 5 district authorities) worked together to develop a bid.
- 4.4 Applications were invited for small scale projects (up to £5million) or larger projects (up to £50 million). The MTP agreed to submit an application for the large project category and in order to do this a two stage application process was required to be undertaken. The first stage of the process was to submit an application for 'Key Component' funding which was up to £5 million of the larger bid. The deadline for the submission of this was the 6<sup>th</sup> June 2011.
- 4.5 Merseytravel, the accountable body for the MTP, submitted a Key Component Bid regarding 'Facilitating Sustainable Access to Employment in Merseyside' which was for £4.877m. This was the Key Component element of a larger £22m bid and was composed of both revenue and capital. The Merseyside Key Component project focuses on working with employers to support business travel and travel plans, providing information, advice and guidance regarding travel to employment and training, and also improving facilities for walking and cycling.
- 4.6 On the 5<sup>th</sup> July Merseytravel was informed that the Key Component bid was successful, and the MTP was invited to submit a full business case in December to support the £22m major bid. The following tables illustrate the breakdown of the £4.877m Key Component funding over the 4 year period for Merseyside as whole and also detail the breakdown of the £810,000 which is Wirral's element of the total Key Component funding.

**Merseyside Key Component Funding - £4.877m**

£000	2011-12	2012-13	2013-14	2014-15
Revenue	450	834	848	787
Capital	405	801	431	321

**Wirral's element of Merseyside Key Component Funding - £810,000**

£000	2011-12	2012-13	2013-14	2014-15
Revenue	100	135	135	130
Capital	10	100	100	100

- 4.7 Officers are currently working with colleagues across the MTP to develop the full business case to support the major application of £22m. If successful this would result in LSTF funding of a maximum £27m for Merseyside which includes the £4.877m already secured through the Key Component element. The exact amount of this major bid will be determined over coming months as the full business case is developed. This is due to be submitted by Merseytravel, as the accountable body for the MTP, on the 20<sup>th</sup> December 2011. Successful bidders will be notified in June 2012.

- 4.8 The Key Component package of Merseyside's major LSTF application aims to support the public to make sustainable short trips to key employment destinations. The project will assist people to access employment by removing transport as a barrier through the provision of travel solutions and measures to support and enable people to travel. Behaviour change measures will also be complemented by selected infrastructure improvements to overcome physical barriers to employment.
- 4.9 During the development of the bid, Wirral Officers have worked as part of the MTP to gather evidence and identify issues that would be suitable for support through LSTF. Members of the Partnership identified sustainable access to employment as being a common issue across Merseyside and recognised the need to support residents to access employment locations. Across the MTP these areas were identified as:-
- East Wirral;
  - North Liverpool;
  - South Sefton;
  - Kirkby, Knowsley; and
  - Lea Green and Haydock Industrial Areas, St Helens.
- 4.10 **Appendix 1** illustrates the focus of the LSTF funding in Wirral. The bid is to assist residents in East Wirral to access employment opportunities within Wirral or in neighbouring authorities. This includes key employment opportunities offered by Wirral International Business Park, Croft Retail Park, Birkenhead Town Centre, Neptune as well as forthcoming opportunities as part of the International Trade Centre.
- 4.11 At the time of bid preparation Mersey Waters, including parts of East Wirral (Wirral Waters) had just been identified as an Enterprise Zone and it was felt that identifying East Wirral as the focus of the Key Component bid offered the opportunity to add benefit to the work of the Enterprise Zones and ensure that sustainable transport is at the heart of the efforts to support the socio-economic development of this area. In addition Deeside Industrial Park in Flintshire has been identified by the Welsh Assembly Government as an Enterprise Zone and anticipate the creation of up to 5000 job opportunities over the next 5 years and interventions will provide to assistance to residents of East Wirral to access these opportunities.
- 4.12 Under the wider project of "Facilitating Sustainable Access to Employment in Merseyside", Wirral's element of the Key Component project was composed of three themes. These are:-
- Working with Employers;
  - Travel Solutions; and
  - Sustainable transport infrastructure.
- 4.13 The following table illustrates the breakdown of the funding allocations of Wirral's Key Component project.

		11/12	12/13	13/14	14/15	Total
Working with Employers	Revenue	25	40	40	40	<b>145</b>
	Capital	10	10	10	10	<b>40</b>
Travel Solutions	Revenue	75	95	95	90	<b>355</b>
	Capital	0	0	0	0	<b>0</b>
Sustainable Transport Infrastructure	Revenue	0	0	0	0	<b>0</b>
	Capital	0	90	90	90	<b>270</b>
<b>Total</b>	<b>Revenue</b>	<b>100</b>	<b>135</b>	<b>135</b>	<b>130</b>	<b>500</b>
	<b>Capital</b>	<b>10</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>310</b>

### Wirral's Allocation of LSTF Key Component Funding

4.14 The **'Working with Employers'** element of the package will work along side Wirral Business Forum through the Invest Wirral network and the work will raise awareness of sustainable travel choices and identify travel related concerns and issues for local businesses and initiate programmes with employers to address these concerns. The measures will encourage behaviour change by ensuring that individuals seeking employment have the right information to make informed choices about their travel and sustain that change in behaviour in the long term. The revenue funding provided under the Working with Employers element will fund a Business Travel Support Post based in Technical Services who will support organisations to minimise the cost of travel for their business and assist Wirral to make the Borough an attractive place for businesses to prosper. A small element of capital funding will also fund a business travel grant scheme to assist employers with introducing initiatives or infrastructure in support of workplace travel plans.

4.15 **'Travel Solutions'** is an umbrella term to describe various interventions which can be used to remove transport barriers for people seeking to access employment. This project will provide staff and resources to support existing employment services and will assist key groups such as long term unemployed, those Not in Employment, Education and Training (NEET) and incapacity benefit claimants with seeking and sustaining employment. Lack of suitably timed public transport services, cost of travel and lack of awareness of bus and train timetables, as well as the confidence of people to use public transport are often cited as barriers why people cannot, in the first instance, access employment, but secondly sustain that employment. Interventions to provide information, advice and guidance such as personalised journey planning and travel training provide people with the knowledge, skills and confidence to use public transport. Other interventions will be a cycle scheme and a scooter scheme, which will offer a bicycle or a 6 month loan of a 50cc scooter to people whose new place of employment is not suitably served by public transport, so that they are able to access employment. Cost is also a major barrier to people using public transport and the scheme will offer travel cards to individuals to

assist with the initial first month of employment prior to receiving their first month of pay. It is anticipated that this project will be delivered through the voluntary and community sector and will work closely with Involve North West (Reach Out) who are currently delivering the European Social Fund Working Wirral Programme.

4.16 Capital funding is also included within the project from Year 2 onwards to support the construction of 'Sustainable Transport Infrastructure' to enable walking and cycling. This element aims to improve accessibility to employment locations for pedestrians and cyclists and will support Wirral residents to access employment destinations in a sustainable and cost effective manner. Employers and local communities will be consulted as part of the development of infrastructure schemes.

4.17 The DfT has approved the Key Component bid in full, and Merseytravel will act as the lead authority and accountable body. The project will be administered by Merseytravel in accordance with the Terms and Conditions specified by the DfT. Merseytravel have prepared a similar agreement for the partner local authorities. This agreement covers the management, delivery and monitoring of the project and sets out the arrangements for the partner authorities to claim back expenditure against the project on a quarterly basis in arrears.

## 5.0 PROPOSALS FOR KEY COMPONENT DELIVERY 2011/12

5.1 In order to ensure that the £110k of funding allocated to Wirral for 2011/12 is spent within the required timescales it is essential that delivery of the project commences without delay. There is no allocation for Sustainable Transport Infrastructure in 2011/12.

5.2 The following tables set out the planned expenditure for the Working with Employers and Travel Solutions elements of the project for 2011/12.

### 2011/12 LSTF Key Component 'Working With Employers'

LSTF Key Component Element	Intervention	Capital (£000)	Revenue (£000)
Working with Employers	Business travel grant scheme to be offered through Invest Wirral network to assist employers with introducing initiatives or infrastructure in support of workplace travel plans e.g. cycle parking.	10	
	Business Travel Support Post based in Technical Services.		15
	Other staff costs.		5
	Promotional items / Business Support Packs / IT equipment.		5
	<b>Total</b>	<b>10</b>	<b>25</b>

## 2011/12 LSTF Key Component 'Travel Solutions'

LSTF Key Component Element	Intervention	Capital (£000)	Revenue (£000)
Travel Solutions	Travel Solutions Team based in Technical Services to support individuals to access employment by removing travel barriers.		25
	Travel cards – purchase and distribution of travel cards to individuals to assist them with travel access and sustain employment.		10
	Scooters – 6 month loan of a 50cc scooter, training and equipment to clients accessing employment not served by public transport.		20
	Cycles – issue of a cycle to individuals to access employment.		15
	IT Equipment and overheads – laptops and promotional items and equipment to launch and raise awareness of the scheme.		5
	<b>Total</b>	<b>0</b>	<b>75</b>

5.3 It is proposed the delivery of the project would commence on December 1<sup>st</sup> 2011, and to achieve this start date it is necessary in the short term to utilise existing staff to deliver the project. As such from the 1<sup>st</sup> December – 31<sup>st</sup> March the following arrangements are proposed:-

- a) The Business Travel Support role will be undertaken by the current Sustainable Transport Co-ordinator.
- b) The Travel Solutions package will be delivered by the existing Travel Trainer staff.

5.4 Arrangements for longer term staffing of the project post April 2012 will be considered over the coming months and further recommendations will be reported to Cabinet as required.

## 6.0. RELEVANT RISKS

6.1. The principal risks for the Council are attached to the failure to deliver all or part of the project and therefore not satisfy the requirements of the funding agreement with Merseytravel. In theory this may result in the Council not being able to claim all or part of the £810,000. At present the key risk is failure to

commence delivery in the current financial year due to the delay in receiving a funding agreement from Merseytravel.

- 6.2. Discussions are ongoing with Merseytravel and the other Merseyside districts with regard to re-profiling the funding within the MTP, over the 4 year period of the funding and it is unlikely that Wirral will incur any cost in respect of this risk.
- 6.3. The risks associated with the delivery of the project differ according to the element of the project as indicated below:-

- a) Working with Employers

The key risk is the failure to secure resources to deliver the required programme as shown in 4.6. Various options have been investigated and it is considered as outlined above that the minimal risk option is to utilise the existing Sustainable Transport Co-ordinator to undertake the Business Travel Support role, as described in 5.3 as this will ensure delivery can commence without further delay.

A further risk concerns the inability to engage employers in the programme although this is considered low risk as the project would build upon best practice and experience that Officers have gained working as part of TravelWise, which is the Merseyside Transport Partnership's sustainable travel promotion team. In addition the project will draw upon the Invest Wirral partners and experience of colleagues in Strategic Development in the Regeneration, Housing and Planning Department who will form part of an internal steering group to deliver the project.

- b) Travel Solutions

In line with DfT requirements it is preferable for voluntary and community sector organisations to play a key role in the delivery of elements of the LSTF funding. The Travel Solutions element of the project builds upon the success of previous travel solutions projects delivered under the "Lets Get Moving" project which was supported by European Social Fund (ESF) in previous years on Wirral. This project was successfully delivered by a Wirral based third sector organisation which was procured by Merseytravel. In accordance with the funding agreement, any such organisation would have to be procured by Wirral Council and therefore Officers are currently working with the Corporate Procurement team to prepare a Pre-Qualification Questionnaire and Invitation to Tender. It is anticipated that this would be awarded from 1<sup>st</sup> April 2012 and therefore interim arrangements as described in 5.3 are proposed in order to commence delivery of the project within the required timescales.

Another risk would be the failure for other employment agencies such as Job Centre Plus and Reach Out to engage with the Travel Solutions team. This is considered extremely low risk as since the end of the previous "Lets Get Moving" project we receive constant requests for additional support. Officers in Transport Policy are already working with colleagues in the Regeneration, Housing and Planning Department who are delivering

the European Social Fund (ESF) project with a view to using LSTF funds to provide additionality to that project through the Travel Solutions project.

c) Sustainable Transport Infrastructure

Infrastructure schemes have been identified and detailed design and consultation will be undertaken in accordance with the procedures already in place. Schemes will be issued to the Council's Highway Contractor for construction and therefore this element of the programme is considered low risk as there is already a system in place to monitor the delivery of infrastructure schemes.

## **7.0. OTHER OPTIONS CONSIDERED**

7.1. No other options have been considered, as this report sets out a response to proposals that have been developed and the successful bid made by MTP to the LSTF.

## **8.0. CONSULTATION**

8.1. This project has been developed with the MTP and funding has been allocated by DfT through the LSTF. As individual projects are being developed various other partners, including private sector and third sector organisations, will be consulted as appropriate. Officers in Technical Services are also working closely with Officers in Regeneration, Housing & Planning, Finance and Procurement and Legal regarding the delivery of the project.

## **9.0. IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

9.1. The DfT is keen that authorities incorporate plans for partnership working with community and voluntary organisations in the delivery of the programme. This project may offer opportunities for the voluntary and community sector to tender and, if successful, deliver the travel solutions element of the package.

## **10.0. RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSET**

10.1 The project will be fully funded through the LSTF and there will be no additional financial implications for the Council.

10.2 This project has the potential to secure £810,000 of funding (£500,000 revenue and £310,000 capital) for Wirral from 2011/12 to 2014/15. It is unlikely that there will be ongoing funding for projects past this date.

10.3 Infrastructure schemes will be implemented and will become a quantified Council highway asset and, as such, be subject to ongoing maintenance within existing resources, as required.

10.4 Additional IT equipment may be required to support the delivery of the project but the cost of these is included within the capital element of the funding.

- 10.5 The DfT have indicated that they would like these projects to be sustainable in the longer term and, as such, during the life of the project, Officers will work with partners in the private sector, and with third sector organisations to identify options for on-going delivery.
- 10.6 Support to the LSTF Steering Group and project delivery and development will be provided from within existing staffing resources in the Technical Services and Regeneration, Housing and Planning Departments.

## **11.0 LEGAL IMPLICATIONS**

- 11.1 In order to receive funding Wirral Council are required to sign up to a legal funding agreement with Merseytravel. Merseytravel as the ITA are the accountable body for this project with the DfT.
- 11.2 In order for Merseytravel to receive the funding they have signed a legal agreement with the DfT under Section 31 of the Local Government Act 2003.
- 11.3 Merseytravel has prepared a similar funding agreement for all the districts. This will ensure that the terms and conditions of the grant are met and will ensure that Merseytravel will authorise claims that districts will make quarterly in arrears for project implementation.

## **12.0 EQUALITIES IMPLICATIONS**

- 12.1 This project will assist people in some of our most disadvantaged communities to access employment. Removing transport barriers to employment will reduce inequalities and reduce social exclusion.
- 12.2 An Equality Impact Assessment is not required for this project.

## **13.0 CARBON REDUCTION IMPLICATIONS**

- 13.1 The development of the cycling infrastructure scheme and the promotion of walking and cycling and sustainable transport, such as car share, will reduce the use of single occupancy vehicle trips. Encouraging and supporting the use of public transport through the 'Working with Employers', and 'Travel Solutions' element of the package will assist in reducing carbon emissions.

## **14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 14.1 There are no planning or community safety implications.

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## **APPENDICES**

Appendix 1 – East Wirral – LSTF Key Component

## **REFERENCE MATERIAL**

Transport White Paper – “Creating Growth, Cutting Carbon – Making Sustainable Local Transport Happen” – Department for Transport, January 2011

“Local Sustainable Transport Fund – Guidance on the Application Process” – Department for Transport, January 2011

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
None	