

Tyne and Wear Local Sustainable Transport Fund Large Project Business Case

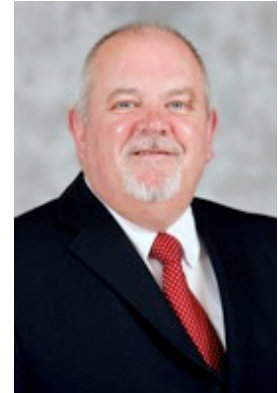
Addressing the barriers that transport creates
to economic growth and accessing
employment



Creating Growth, Cutting Carbon



Civic Centre, Newcastle upon Tyne, NE99 2BN
(0191) 211 5157 / dave.wood@newcastle.gov.uk



20 December 2011

Dear Secretary of State,

**Tyne and Wear Local Sustainable Transport Fund:
Large Project – Business Case submission**

I have pleasure in submitting the Business Case for the Tyne and Wear Local Sustainable Transport Fund Large Project bid. The Tyne and Wear Integrated Transport Authority (ITA) welcomes the opportunity to submit a bid to this Fund, the objectives of which closely match those of the ITA and the needs of Tyne and Wear as a whole.

Our Business Case has been prepared in accordance with your guidance and sets out a series of ambitious yet deliverable proposals that will make a real difference to the prospects for sustainable long term regeneration and economic improvement in the area. They will provide the basis for improved access to employment opportunities across Tyne and Wear while managing congestion, particularly on our road network. This will allow for increased levels of economic activity without the consequent negative wider economic impacts of an inefficient and unreliable transport network and increases in carbon emissions.

Our plans have been developed in partnership with a range of private sector partners and our governance structure reflects their ongoing involvement. A central part of the bid for example – of effective area based travel planning initiatives at major employment sites – is based upon the extension of an existing private sector led model already shown to be effective in the area. This element of the bid will be delivered by a newly formed Travel Planning Delivery Group with a private sector Chair and equal representation between the private and public sectors.

We consider this to be one of many improvements since the submission of our original proposal in June. We have acted on the Department's feedback and have reviewed and revised our proposals significantly. Our package of proposals now has a much greater focus on our main employment areas. These are the locations that Tyne and Wear needs to rely on to drive its economic recovery but where, even today, congestion problems can frustrate proposals for growth.

In addition to our focus on economic growth our commitment to carbon reduction is also clear. All local authorities in Tyne and Wear are signatories to the EU Covenant of Mayors, committing themselves to a reduction in CO₂ emissions of at least 20% by 2020. The ITA has also illustrated its commitment to reducing carbon emissions and addressing climate change by signing the Nottingham Declaration. The ITA sees a successful bid as laying the basis for ongoing financially sustainable and effective action. This will reduce the carbon emissions from transport without the risk of harmful impacts on the economy.



In addition to the key objectives of the Local Sustainable Transport Fund we consider our bid to also provide other wider social and economic benefits for the area. Where possible, benefits such as air quality and physical health have been quantified in the Business Case. In particular our proposals will deliver improvements to health through active travel while also supporting local people in deprived areas in their efforts to find work.

Our proposals bring together a range of measures, from conventional transport infrastructure improvements to promotional activity and schemes aimed at making better use of new technology and information streams to manage transport demand and use. They are brought together in a coherent, mutually supportive package targeted at providing the facilities, support and necessary opportunity to encourage people to use more sustainable forms of transport.

We are learning from the implementation and management of this type of package approach through the Travel to School 'Key Component' project and are gaining valuable experiences and insights. We propose to procure many elements of any approved package through a local procurement framework – thus stimulating the local economy. The importance of this to successful delivery, and the limited cost involved in putting it in place, means the ITA is prepared to develop this 'at risk' in advance of any approval. We recognise that in many respects the hard work has just begun, we will treat this business case as 'live' and continue to work hard between January and June to ensure we are ready to deliver with pace and focus from the day after a decision.

I commend these outline proposals to you on behalf of all members of the ITA. We would be happy to provide any further information you may require on the proposals, or answer any queries you have.

Yours sincerely,

Councillor David Wood

Chair of the ITA

Secretary of State for Transport
Department for Transport
2/14 Great Minster House
76 Marsham Street
London
SW1P 4DR

Date: 19 December 2011

Dear Secretary of State

**Tyne and Wear Local Sustainable Transport Fund:
Large Project – Business Case submission**

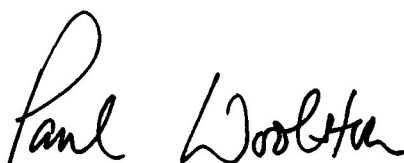
I write in support of the Business Case submission for the Tyne and Wear Local Sustainable Transport Fund Large Project bid on behalf of the North Eastern LEP. The importance the LEP attaches to transport is shown by its inclusion as one of the four strategic economic priorities in our business proposal to Government.

The North Eastern LEP believes this bid to be an important opportunity to lay the basis for an improved economy without leading to the increases in carbon emission which might normally result from higher levels of activity. The threat to longer term growth from traffic congestion is already evident in parts of the conurbation, notably the main city centres and business parks and other employment areas close to the main trunk roads. An approach of this kind, combining small scale investment with promotion of more environmentally friendly transport, is an essential adjunct to targeted investment in major infrastructure if the economic future of the area is to be secured.

The bid is consistent with the LEP's own transport strategy and its focus on the wider Travel to Work footprint for Tyne and Wear is particularly important given the extent of the LEP area. In particular policy input from the LEP has ensured that the needs of the private sector have been taken in to account when developing the proposal.

In the light of the above I commend the merits of the bid to you and look forward to a positive decision in due course.

Yours sincerely

A handwritten signature in black ink, appearing to read "Paul Woolston". The signature is written in a cursive, flowing style.

Paul Woolston
Chair, North Eastern LEP

Councillor David Wood
Chair – Integrated Regional Transport Board
51 Borrowdale Ave
Walkerdene
Newcastle upon Tyne
NE6 4HL

Dear Mr Wood

Tyne and Wear Local Sustainable Transport Fund: Large Project – Business Case submission

I am writing to express the support of the North East Chamber of Commerce for the Tyne and Wear Integrated Transport Authority's Local Sustainable Transport Fund large project bid. NECC is the North East's leading business membership organisation and the only regional chamber of commerce in the country. We represent more than 4,000 businesses located throughout the Tees Valley, County Durham, Tyne and Wear and Northumberland. Our members are drawn from all sizes of business across all sectors and employ about 30% of the region's workforce.

The bid is seeking to manage effectively the problems of traffic congestion which are already causing problems for businesses and developers in the area. The Chamber of Commerce recognise the importance of this kind of work. Existing practice in Tyne and Wear has already been pioneered through partnerships between the public and private sector in joint recognition of the threat posed to the success of specific developments and the prosperity of the wider area by unconstrained car use.

This bid provides an opportunity to extend and build on current good practice. It will enable the benefits of travel planning work to be extended to the main employment areas in the conurbation. In addition it will provide timely and much needed support to unemployed people to overcome the transport barriers they face in finding employment.

The bid offers the potential to combine a range of effective and low cost measures which will benefit business across the area. It will provide a flexible and adaptable approach tailored to the needs of specific employment areas. As such it has the potential to have a positive contribution in meeting our aspirations for economic growth in the area, and contributing towards the national economic recovery.

I hope that these comments are helpful, please do not hesitate to contact me if you would like to discuss this matter further.

Yours sincerely,


Mark Stephenson –
NECC Policy Adviser

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INVESTOR IN PEOPLE



British
Chambers of
Commerce
Accredited
★★★★★

Supporters of

north east
england

6 December 2011

On behalf of the Tyneside Travel Partnership (TTP), a best practice and knowledge sharing travel planning group serving large employers, I write to endorse the proposed Local Sustainable Transport Fund large project prepared by Newcastle City Council on behalf of the Integrated Transport Authority (ITA).

The TTP have been encouraged by the level of involvement your officers have enabled us to have in developing the package. We met officers early in the process and outlined, based on our experiences in travel planning, ideas for improvement as well as the known barriers to providing sustainable access to employment sites. We have also been encouraged by district officers and the central team inviting us to input ideas throughout the process.

We consider that our views have been taken into account and are very encouraged by the proposals we have been presented with. In particular, we consider that your proposed changes to managing the delivery of travel planning at employment sites will deliver value for money and ensure the best outcomes from the proposed investment.

The TTP has been impressed by the proposed management structure and our proposed involvement for all our members to support your bid in the following ways:

- We will broaden our group and invite representatives from elsewhere in Tyne and Wear (such as Sunderland) to benefit from the knowledge and experience we have in this specialist field; and
- We will provide significant match funding to add further value to the delivery of the LSTF – this will include 20% of travel planners' time to be aligned to LSTF work and the alignment of our own internal travel planning budgets to further support and add value to the investment you propose.



This support is testament to the involvement and engagement we have outlined above, and the proposal to fully integrate existing employment area travel planning resources into your proposed LSTF bid. We welcome the opportunity to be involved and look forward to continuing to work with you into the future.

For your information I attach the TTP's strategic objectives below.

Best regards,

T J Hall

On behalf of the Tyneside Travel Partnership

The Tyneside Travel Partnership Operational Strategy 2012

The Tyneside Travel Partnership (TTP) has over the last few years achieved a significant reduction in single occupancy car use which has been welcomed by all members and local authorities. Increased awareness of carbon emissions and 'final barriers' to further improving the members single occupancy car use have necessitated a more strategic approach for its members to adopt for 2012.

This strategic approach can be best set out as strategic objectives which are recorded below:

Tyneside Travel Partnership Strategic Objectives 2012

- To promote the use and benefits of sustainable travel to all employees, students, patients, visitors and users travelling to and from the members' businesses
- To promote the use and benefits of sustainable travel when undertaking the business requirements of the members' businesses
- To seek best value for money for all users of sustainable travel associated with members' businesses

- To persuade and influence Transport Operators, Local Authorities and Transport Authorities to meet the sustainable travel needs of the members' employees, students, patients, visitors and users of the members' businesses

Achieving the Objectives

In order for the TTP realise the objectives set members will agree to each of following undertakings:

- Embed awareness and benefits of sustainable transport and travel provision across our businesses
- Measure the use of sustainable transport and travel resulting from our business operations and set targeted improvements achievable as a minimum every 24 months
- Improve sustainable transport and travel with continued investment in services and measures which allow easy affordable access to sustainable transport and travel
- Monitor the standards of sustainable transport and travel all employees, students, patients, visitors and users travelling to and from the members' businesses have access to; record standards in an agreed scoring programme on our website and other interested websites; share that information with Transport Operators, Local Authorities and Transport Authorities
- Meet four times per year as a partnership with agreed specific set agenda item(s)
- Share information promptly which can assist in achieving objectives with all members via email and non members via the TTP website

Executive Summary

Introduction

The Tyne and Wear large project bid to the Local Sustainable Transport Fund (LSTF) sets out a series of proposals aimed at promoting economic growth while cutting carbon emissions. It provides a full business case prepared in accordance with national guidance in five sections:

- the strategic case;
- the economic case;
- the commercial case;
- the financial case; and
- the management case.

This summary follows the above structure, highlighting the main issues and outcomes from each section of the business case.

Strategic Case

The main objectives of the Local Sustainable Transport Fund are of particular importance to Tyne and Wear because:

- The area suffers from persistently high levels of unemployment and deprivation, making economic growth a major priority.
- Congestion on the road network in the area has been identified as a major threat to successful and sustainable economic growth; and
- In spite of relatively low car ownership, carbon emissions from transport are above the national average as a proportion of total emissions. Forecasts indicate that additional reductions in emissions from transport are required to support the achievement of targets for carbon reduction.

Analysis of evidence relating to the interaction of transport, land use and the economy illustrates a complex interaction of factors which reinforce the need for action. These include:

- Rapidly increasing car ownership levels;
- Employment growth away from traditional centres in places where sustainable transport access is often more limited and congestion already evident;
- A core of deprived inner areas with limited travel to work horizons;
- The cost of transport is a barrier to the uptake of the lowest paid jobs.

Package Objectives

Outcomes from the analysis of the evidence lead towards a single overall theme to guide the proposal:

'to address (by reducing or where possible eliminating) the barriers that transport creates to economic growth and accessing employment.'

This is in turn supported by five specific objectives for the LSTF package:

1. Supporting jobs and business through effectively tackling the problems of congestion;
2. Improving the reliability and predictability of journey times;

3. Enhancing access to employment and development sites;
4. Increasing the pool of labour available to employers;
5. Reducing carbon emissions.

Package Development

Our development of a package of measures was preceded by a thorough review of evidence in order to understand the most appropriate programme of activity for Tyne and Wear. Two key questions were considered in the strategic case:

- What measures will be most effective in meeting our objectives;
- Where and how these will be best targeted.

Our analysis suggests that packages of measures based around the promotion of sustainable access to a limited number of main employment sites in the area will be the best way to maximise effectiveness. These will be supported by supplementary measures, including those to support reduced congestion on the main travel corridors and specific support to reduce the barriers that transport can present to the unemployed.

Package Description

The proposed package comprises the following elements:

- Local area based packages for nine of the main areas identified as being central to future prosperity and growth. These include new infrastructure and services aimed at removing barriers to sustainable travel and also to build on successful existing area travel plan initiatives in some areas;
- Supporting measures to enable the development of effective travel plan interventions in each of the areas. This includes support for travel plan preparation, employee based personalised travel planning, training in smarter driving techniques, advice on use of ICT to achieve smarter/home working and a range of promotional measures aimed chiefly at cycling;
- An approved key component project aimed at boosting sustainable travel to school;
- Improved travel information on the main travel corridors building on the Tyne and Wear UTMC system;
- Provision of secure cycle parking at Metro stations, and complementary improvements to cycle routes;
- Measures to remove transport barriers facing the unemployed. These include support for travel costs, low cost cycle, scooter and car loan schemes and dedicated training for disabled people to enable their independent use of public transport;
- Development of a 'travel office' facility providing advice and discount ticketing to businesses;
- Real time passenger information for all Tyne and Wear bus services;
- A range of supporting measures, including appropriate publicity and promotion and essential project management.

The above measures will meet the LSTF objectives while complementing other action through LTP and regeneration programmes and wider land use and economic strategy. The area based approach to tackling journeys to work builds on a model which is already effective in Tyne and Wear, and has been shown to be successful in achieving growth in sustainable commuting and consequent reductions in car use.

The nature of the bid means that many of its component parts are inherently scaleable. However, there are synergistic benefits to be gained by delivering the programme in full.

Engagement and Consultation

A wide variety of interests have been involved in developing the bid. These include private business and developers involved in the main employment areas, potential delivery agencies and other local and community interests. Opportunities have been provided throughout the process to input ideas and views through a number of consultation events, with more detailed discussions taking place with individual interests as necessary.

Economic Case

Transport modelling work was undertaken to quantify the benefits of the proposals. Detailed estimates were prepared for high, central and low scenarios reflecting the potential uncertainty in impacts of forecasting. The main benefits identified were in relation to economic efficiency, physical fitness, reduced accidents and carbon reductions. No major disbenefits were identified from the proposals. The following level of benefits was identified:

Scenario:	High	Central	Low
Present value of benefits (£ million)	50	41	33
Benefit/cost ratio	5.23	4.27	3.44

Commercial Case

The procurement strategy for the package has three main elements:

- Where capital highway (or similar works) are proposed these will be procured through existing local authority arrangements. Local authorities in the area have extensive experience of delivering this type of measure through their Local Transport Plan programmes;
- New bus routes will be procured through the Passenger Transport Executive (Nexus) using their standard procedures for tendering of bus services;
- Other measures will be procured through a dedicated LSTF procurement framework. This will allow potential providers to bid for discrete elements of work, and will result in a flexible and cost-effective approach, with opportunities for businesses of all sizes.

Financial Case

The total cost of the package is £25.8 million, which includes £9.661 million of local contributions. We are therefore bidding for £10.325 million of revenue and £5.83 million capital from the LSTF. These figures exclude the approved key component bid of £4.904 million.

Local contributions identified above, include funding from a range of public and private sector sources as well as in kind resources. It is expected that, in practice, significant additional local contributions will be realised. This has already happened in relation to the Key Component project with new funding being secured from the Primary Care Trust in Sunderland.

Appropriate allowance has been made in the estimates for inflation. A Quantified Risk Assessment has been undertaken indicating a potential allowance for risk of £2.965 million. The ITA will take responsibility for financial risks associated with the project, and as a result will not request additional DfT funding.

The project will deliver a number of lasting benefits including new infrastructure and services, as well as promoting development of a sustainable travel 'culture' in the main employment areas. The use of an existing successful delivery model, coupled with effective monitoring of impacts, provides a basis for longer sustainability of measures.

Management case

Experience with the Key Component project has already demonstrated the importance of effective project management. A clear management structure is provided with overall co-ordination through a Programme Board comprising the main project partners. An individual Senior Responsible Owner and dedicated Programme Manager are identified. Joint working arrangements with the private sector have also been strengthened.

A risk register has been prepared for the project. This will be monitored and updated as part of the regular work of the Programme Board.

A framework for monitoring and evaluation has been developed to ensure that the effectiveness of the package as a whole, as well as individual measures, can be assessed. Effective evaluation will be important in demonstrating the benefits of the programme, and thereby providing information necessary to secure further funding and generate wider community support. TWITA have stated our intention to work with DfT to monitor the effectiveness of our programme.

Conclusions

In our economic case, our programme clearly demonstrates value for money. However, more importantly, our proposals are essential to support economic growth in the key areas of the metropolitan area desperate for employment opportunities. They will also support reductions in carbon emissions as well as having a number of wider benefits, notably in terms of health and physical activity.

Our proposals are based on measures proven to be effective in promoting sustainable transport use, and reducing transport barriers to employment. Taken together, they provide a coherent, mutually supportive package that will deliver significant additional benefits to the area and provide a clear path towards a more effective, sustainable transport system for Tyne and Wear.