



Derby City Council

COUNCIL CABINET
17 April 2013

Report of the Cabinet Member for Planning,
Environment and Public Protection.

ITEM 9

Approval of Derby's Major Transport Scheme Priorities

SUMMARY

- 1.1 A report was submitted to Cabinet on the 13th February, advising on the latest position on the devolution of decision-making and funding for local major transport schemes including the establishment of a Derby, Derbyshire, Nottingham and Nottinghamshire Local Transport Body (D2N2 LTB), governed by a board of elected members.
- 1.2 As part of this process each local transport authority now has to submit a short list of local major schemes to the D2N2 LTB for prioritisation. The D2N2 LTB is proposing that each local transport authority support their schemes with a minimum local contribution of 20%.
- 1.3 As such, all potential major transport schemes for Derby have been drawn together in a long list of 31 schemes to address the aims of the long term transport strategy in the third Derby Local Transport Plan (LTP3) 2011 to 2026. The transport strategy for Derby is a balanced approach making best use of the existing highway network, accommodating proposed growth, planning for a resilient highway network and supporting and encouraging travel choice. The long list includes major transport schemes that are strategic priorities for the city including:
 - A38 grade separated junctions.
 - Bus reliability schemes.
 - A robust strategic cycle network.
 - Strategic maintenance schemes.
 - Strategic congestion management schemes.
 - Strategic network management schemes.
 - Our City Our River – schemes to make the highway more resilient to flooding.
 - Connectivity to HS2.
- 1.4 The long list of strategic major transport schemes was sifted to identify schemes that would be suitable for local major transport scheme funding. Initial consideration was

given to the potential for schemes to be funded through other funding sources.

- 1.5 The main prioritisation criteria for major local schemes, which have been proposed for the D2N2 LTB, are Economic Growth with secondary criteria of Carbon Emissions and Socio-Distributional Impacts. Further criteria for the capital schemes appropriate for this funding requires them to cost over £2 million and be deliverable within the spending review period. We have identified four schemes from the long list that would be suitable for local major scheme funding.
- A52 Congestion management and Integrated Transport Package
 - Dynamic Congestion Management
 - South East Quadrant Major Maintenance Scheme
 - Critical Renewal and Refurbishment of Major Highway Culverts
- 1.6 The D2N2 LTB will decide which of the investments should be prioritised, to review and approve individual business cases for those investments and to ensure effective delivery of the local major transport scheme programme. The LTB will need to submit a prioritised list of schemes for funding in the spending review period 2015/16 to 2018/19 to Department for Transport (DfT) by July 2013. A key recommendation of this report is to approve the submission of the four schemes for prioritisation by the D2N2 LTB.
- 1.7 Members should note that it has recently been announced by Government that the Treasury is to create a Single Local Growth Fund, pooling funding streams for transport, housing and skills. It is proposed that the Local Major Transport Funding is to be included within this funding stream. More details are to be announced in June 2013, however Government is recommending to Local Transport Bodies that they continue with the development of their assurance frameworks and prioritisation processes.

RECOMMENDATION

- 2.1 To approve the submission of the following schemes for prioritisation by the D2N2 LTB:

A52 Congestion Management and Integrated Transport Package potentially including:

- Improved access and egress to Wyvern/Pride Park from the A52
- Bus Priority A52 corridor
- Replacement of Meadow Lane footbridge
- Carriageway maintenance and replacement safety barriers

Dynamic Congestion Management – strategic traffic management control linking technologies used by all the highway authorities to better manage interaction between

traffic on the local and strategic road network

South East Quadrant Major Maintenance Scheme – reconstruction of the carriageway and footways and cycle paths. The scheme includes new highway drainage and safety barriers.

Critical Renewal and Refurbishment of Major Highway Culverts – maintenance and upgrading of culverts and improved highway drainage in the south eastern quadrant of the city

- 2.2 To add the short listed schemes to the Strategic Integrated Transport Schemes Strategy Area of the approved 13/14 Highway and Transport Programme, seeking to reprioritise schemes within the approved H&T in order to fund the development and design of these major capital projects.
- 2.3 To note the future proposed requirement for a local contribution of 20%.

REASONS FOR RECOMMENDATION

- 3.1 The Department for Transport requires LTBs to publish and submit to DfT a prioritised list of local major transport schemes by July 2013. The LTB will then prioritise schemes as set out in the LTB Assurance Framework.
- 3.2 Originally there were 31 proposed major transport schemes in Derby. The process followed to sift down to a short list of schemes. The main criteria for short listing schemes has been to establish those schemes which:
 - are deliverable in the Spending Review Period 2015/16 to 2018/19
 - address the LTP3 long term transport strategy
 - perform against the proposed LTB primary criterion Economic Growth and secondary criteria of carbon emissions and Socio-Distributional Impacts
 - require a minimum contribution of £2 million,
- 3.3 A number of schemes are retained as longer term strategic transport priorities. A more detailed Working Paper has been produced that sets out all the strategic priorities for the city. These include schemes where we will pursue other funding sources and schemes with timescales beyond the next Spending Review Period.

SUPPORTING INFORMATION

Introduction

- 4.1 A report was submitted to Cabinet on the 13th February, advising on the latest position on the devolution of decision-making and funding for local major transport schemes including the establishment of a Derby, Derbyshire, Nottingham and Nottinghamshire Local Transport Body (D2N2 LTB), governed by a board of elected members.
- 4.2 In March 2013 the Government published a response to Lord Heseltine's review of all government policy affecting economic growth. The Treasury is creating a Single Local Growth Fund, pooling funding streams for transport, housing and skills. It is intended that this funding will be without ring-fences and is to be used flexibly across the LEP areas. The fund will be operational by April 2015 and further details will be set out in the Spending Round in June 2013. The Government believes that there is a strong case for elements of the transport budget, such as the funding for major local transport schemes; to be included as such spending is considered to be integral to economic development. There will be transition between the on-going devolution process and the Heseltine reforms so that the Government can integrate transport funding into the Single Local Growth Fund. The Government expects all Local Transport Bodies to maintain momentum and continue to develop their assurance frameworks and provisional programme of schemes.
- 4.3 The Department for Transport (DfT) requires LTBs to publish and submit to DfT a prioritised list of schemes by July 2013. In order to meet this deadline and assess schemes consistently across the D2N2 area, local authorities within the D2N2 LTB will need to prioritise their individual local major transport schemes
- 4.4 As such, each local transport authority has to submit a short list of local major schemes to the D2N2 LTB for prioritisation between April and July 2013. Individual transport authorities will need to propose programmes that are realistic in terms of funding and flexible in terms of delivery timings.

- 4.5 All potential major transport schemes for Derby have been drawn together in a long list of 31 schemes to address the aims of the long term strategy in the third Derby Local Transport Plan (LTP3) 2011 to 2026. The transport strategy for Derby is a balanced approach making best use of the existing highway network, accommodating proposed growth, planning for a resilient highway network and supporting and encouraging travel choice. The long list includes major transport schemes that are strategic priorities for the city including:
- A38 grade separated junctions.
 - Bus reliability schemes.
 - A robust strategic cycle network.
 - Strategic maintenance schemes.
 - Strategic congestion management schemes.
 - Strategic network management schemes.
 - Our City Our River – schemes to make the highway more resilient to flooding.
 - Connectivity to HS2.
- 4.6 In order to identify schemes for Local Major scheme funding the long list was sifted to remove those schemes that could be funded from alternative sources. This includes the A38 Derby Junctions Grade Separation - as a Highway Agency scheme this has the potential for funding directly from Central Government. However; this scheme will remain a strategic priority for the city.
- 4.7 Schemes which were not considered deliverable in the spending review period 2015/6 to 2018/9 were removed for the purposes of the local Major funding. This includes any scheme which would provide connectivity for Derby to the proposed HS2 interchange at Toton; this will remain a strategic priority for the city.
- 4.8 Guidance on how local major transport schemes will be prioritised is set out in the proposed assurance framework for the D2N2 LTB. The proposed assurance framework was submitted to DfT at the end of February 2013 and will be rationalised at an early meeting of the LTB.

Summary of D2N2 LTB Scheme Prioritisation Process

- 4.9 Following an initial gateway review to confirm deliverability within the scope of the funding period, each of the proposed schemes will be entered into the Department for Transport's Early Assessment and Sifting Tool (EAST), which is regarded as robust to take account of the LTBs own agreed criteria. It includes criteria dealing with the promoting authority's capacity to prepare and deliver the scheme and seeks to ensure that a full range of alternatives has been considered. These criteria have been agreed by the LTB, grounded in the D2N2 Growth Strategy, in advance of the invitation for promoters to submit potential schemes for consideration. The factual information will be provided by the promoter of the scheme, but the assessment of its

impact against each of the criteria will be undertaken by the LTBs Prioritisation Working Group (PWG). Independent validation of the PWGs assessment will be sought from an agreed consultancy service.

- 4.10 The draft Assurance Framework sets out the proposal that initial prioritisation of schemes will be undertaken on the basis of their performance against the Economic Growth criterion within EAST, with secondary criteria of Carbon Emissions and Socio-Distributional Impacts.
- 4.11 Value for money, at this early stage of scheme preparation, is taken into account primarily as a relative metric rather than absolute; there is not necessarily a calculated cost-benefit ratio for any scheme but its performance against agreed criteria can be compared with other candidate schemes.
- 4.12 As stated above, the LTB will assess deliverability of schemes both in terms of their own state of readiness and in terms of the capacity of the promoter to bring them forward. Additional weighting will inevitably be given to these criteria in the early years of the programme given that schemes to be delivered beginning in 2015-16 must already be relatively well advanced. This will take place through an initial gateway review of deliverability, carried out before schemes are assessed against the EAST criteria.

Summary of Next Key Activities and Dates

- 4.13 The required activity between now and the commencement of the operation of the devolved funding stream from April 2015 to March 2019 is as follows:
- April 2013: an early meeting of the LTB to agree the proposed assurance framework setting out its governance and its approach to scheme selection.
 - April/July 2013: Prioritisation Working Group sifts local authority major schemes and puts together a recommended programme of schemes.
 - July 2013: each local transport body agrees its programme of schemes matched to available budgets, and submits this to the Department for Transport.
 - July 2013 to March 2015: business cases, compliant with DfT guidance, are developed for selected schemes (alongside any required processes for planning consent and land assembly). For schemes to be delivered later in 2015-2019 period; these processes could be on-going beyond March 2015.

OTHER OPTIONS CONSIDERED

5.1 None.

This report has been approved by the following officers:

Legal officer	Janie Berry
Financial officer	Roger Kershaw

Human Resources officer Estates/Property officer Service Director(s) Other(s)	Christine Durrant
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IMPLICATIONS

Financial and Value for Money

- 1.1 It is accepted that the four local transport authorities will collectively provide support to the operation of the D2N2 LTB. This will be provided and contained within existing revenue resources but the future costs of facilitating the operation of the D2N2 LTB will be reviewed as the process is established.
- 1.2 The supporting information identifies that if the City Council pursue a major transport bid through the devolved local major scheme fund, that the D2N2 LTB is currently proposing a 20% local contribution. This could be funded through third party contributions, S106 agreements, other grant opportunities, as well as the Councils Capital programme. If funding is required from the Council Capital Programme it would have to be considered against all of the other priorities of the Council.

Legal

- 2.1 Local Transport Boards have been established to devolve funding for the provision of local major transport schemes. The Department of Transport has issued guidance supporting the establishment and governance of Local Transport Boards. The prioritisation of major transport schemes is required as part of the governance arrangements.

Personnel

- 3.1 None

Equalities Impact

- 4.1 The schemes have been prioritised in line with the objectives and long term transport strategy contained in LTP3, which was subject to an Equality Impact Assessment. Any future business case to bid for local major scheme funding through the D2N2 LTB will require a detailed appraisal of distributional social impacts.

Health and Safety

- 5.1 The schemes have been prioritised in line with the objectives and long term transport strategy contained in LTP3, which was subject of a Strategic Environmental Assessment (SEA) and includes the consideration of human health through a Health Impact Assessment (HIA). Any future business case to bid for local major scheme funding through the D2N2 LTB will require a detailed appraisal of environmental and safety impacts.

Environmental Sustainability

6.1 See 5.1 above regarding the Strategic Environmental Assessment

Property and Asset Management

7.1 None

Risk Management

8.1 None

Corporate objectives and priorities for change

9.1 The prioritised list of major schemes have varying benefits that support the following Council priorities:

- a thriving sustainable economy-by improving access to jobs
- good health and well-being - by facilitating more people walking and cycling
- being safe and feeling safe – by improving the safety of roads

The programme also contributes to wider aims of the Council Plan, including contributing towards:

- Accessibility to employment and education
- Improved satisfaction levels with the city among local people, visitors and businesses.
- Reducing obesity through promotion of active travel choices
- Better levels of satisfaction with Council services