



Tyne and Wear Integrated Transport Authority

Special Meeting

Meeting to be held: Committee Room, Civic Centre, Newcastle upon Tyne, NE99 2BN on Thursday 25 August 2011 at 9.30 am

Membership: D Wood (Chair), Blackburn, Burdis, Emerson, Green, Hall, Hanson, Hodson, Keating, Lott, Maughan, McElroy, McMillan, Murison, Stokel-Walker and P Wood

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ITA papers are available on the ITA website at www.twita.gov.uk

Members are reminded to sign the attendance list

	Page
1. Apologies for absence	
2. Declarations of Interest of Members or Officers in any matter to be discussed at the meeting	
<p>(If any Member has a personal/prejudicial interest please complete the appropriate form and hand this to the Democratic Services Officer before leaving the meeting. A blank form can be obtained from the DSO at the meeting).</p> <p>Members are reminded to verbally declare their interest and the nature of it and, if prejudicial, leave where appropriate at the point of the meeting when the item is to be discussed.</p>	
3. Proposed Modification to the River Tyne (Tunnels) Order 2005	1 - 8
4. Modification of Tolls at the Tyne Tunnel	9 - 12
5. Local Sustainable Transport Fund	13 - 18
6. Date and Time of the Next Meeting	

The next ordinary meeting will be held on Thursday 22 September 2011 at 10am.

NOTE: Under the Local Government (Access to Information) Act 1985 members of the public have a right to inspect any non-confidential background papers used in the production of a non-confidential report to the Authority. Requests for information should be made to the Department originating the report.

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Tyne and Wear Integrated Transport Authority

25 August 2011

New Tyne Crossing – PROPOSED MODIFICATION TO THE RIVER TYNE (TUNNELS) ORDER 2005

REPORT OF NTC PROJECT DIRECTOR and LEGAL ADVISOR TO THE AUTHORITY

1. Summary

- 1.1 This report asks the Authority to formally resolve to apply for an Order (“the Proposed Order”) to modify the River Tyne (Tunnels) Order 2005 (“the 2005 Order”) to extend the date by which the Concession Toll must be set from 25 August 2012 to 25 August 2013.
- 1.2 A resolution of the Authority to make such an application is required because it is a “joint authority” for the purposes of section 239(4A) of the Local Government Act 1972 Act, and the Proposed Order is one to which section 239 applies by virtue of the Transport and Works Act 1992. Under section 239 it is required to make the resolution by a majority of the whole number of members of the Authority whether present and voting at the meeting or not.

2. Recommendations

2.1 The Authority is recommended to:

- (a) Authorise the Project Director to apply to the Secretary of State for Transport for an Order under the Transport and Works Act 1992 (“the 1992 Act”) to modify the 2005 Order so as to require the Authority in setting a Concession Toll under paragraph 4 of Schedule 14 to the 2005 Order to do so by 25 August 2013 instead of by 25 August 2012;
- (b) Authorise the Project Director to take all necessary steps to secure the making of the proposed Order and to arrange for the preparation of all necessary documentation required to support the application for the Proposed Order;
- (c) If it makes the resolutions under (a) and (b), authorise the Clerk to publish special notice of a further meeting of the Authority to take place after the Proposed Order has been applied for at which the decision to make the application must be confirmed.

3 Background

- 3.1 The 2005 Order empowers the Authority to construct, operate and maintain the New Tyne Crossing.
- 3.2 It also contains provisions relating to the concession and financing arrangements for the 'tunnel crossing' (defined to include the existing tunnel and the New Tyne Crossing). In particular, it gives the Authority specific powers to set and charge tolls on vehicles using the tunnel crossing. These latter powers came into force at different times: from 26 August 2005 in respect of the existing tunnel, but from the day that the New Tyne Crossing first opens for public use in respect of that new tunnel and the existing tunnels together.
- 3.3 The 2005 Order provides for two separate tolling regimes:
- (i) The Transitional Toll regime, introduced principally to protect tunnel users from a large one-off toll increase between when the Order came into force in 2005 and when the New Tyne Crossing opens.
 - (ii) The Concession Toll regime. The Concession Toll may only be set once by the Authority and by 25 August 2012 at the latest.

Neither toll may be increased more than once in any 12 months.

- 3.4 There is a prescribed mechanism in the 2005 Order for increasing the toll levels under each regime, described as follows:

Increasing the Transitional Toll

- 3.5 The Transitional Toll regime permits these increases from the level on 26 August 2005:
- (a) for a 'class 2 vehicle' (including cars), up to 80p above that level;
 - (b) for 'non-class 2 vehicles' (including HGVs) up to twice the amount payable for a class 2 vehicle at any time.
- 3.6 A larger increase may be permitted by the Secretary of State but only after appropriate publicity and the opportunity for public representations which may prompt the Secretary of State to hold an inquiry.
- 3.7 The multiplier referred to in 3.5(b) is to ensure the Authority complies with EU legislation on tolls for heavy goods vehicles (HGVs). This requires HGV tolls to reflect the larger costs caused by HGVs compared with cars or light goods vehicles. This legal requirement applies generally (by Article 42(12) of the 2005 Order) which means it is a relevant consideration when setting the Concession Toll too.

Increasing the Concession Toll

- 3.8 The Concession Toll is designed to be set only once and to remain at that level, subject only to any subsequent increases proposed by the Authority being in accordance with the 2005 Order.

3.9 In particular, the 2005 Order permits an annual increase to the Concession Toll in line with the Retail Prices Index.

For any further increase, the Authority must comply with certain conditions i.e. the proposal must be publicised and, if objections are made, a public inquiry held. An Inspector must be appointed to scrutinise the proposal and, following his/her recommendation, the Authority must then decide whether or not to implement the increase.

3.10 When the 2005 Order was first prepared and the subject of a public inquiry in 2003, the period of seven years (2005-2012) was seen as allowing enough time for both the Concession Toll to be determined and reasonable incremental increases towards it being achieved via the Transitional Toll arrangements. A decision on an appropriate level of Concession Toll depended of course on the outcome of various factors, principally the procurement process and the resultant cost of the concession. In practice, the concessionaire appointment was slightly delayed because of an unsuccessful statutory challenge to the 2005 Order.

3.11 As the procurement process continued, the Authority raised the toll twice from the August 2005 level: on 1 January 2006 and 1 January 2007. The latter increase resulted in the current charges of £1.20 for class 2 vehicles and £1.50 for non-class 2 vehicles.

3.12 By April 2007 the preferred bidder had been appointed and the Authority as a result identified its preferred Concession Toll for class 2 vehicles as £1.60 and thus £3.20 for non-class 2 vehicles after applying the multiplier of 2.

3.13 The 2006 and 2007 increases had gone some way toward that desired level for the Concession Toll. However, the Authority was concerned about any further increases before the New Tyne Crossing opened given the congestion and delays which users would face during the construction period. Thus, the Authority resolved not to again increase the tolls beyond those set at 1 January 2007 until the New Tyne Crossing was operational.

3.14 Instead it published in September 2007 a tolling strategy to raise tolls to the Concession Toll level in three steps. Subject to the New Tyne Crossing being operational by 1 January 2012, it was proposed that:

- from 1 January 2012, class 2 vehicles would pay £1.40 and non-class 2 vehicles, £2.00;
- from 1 January 2013, class 2 vehicles would pay £1.60 and non-class 2 vehicles, £2.50;
- from 1 January 2014, class 2 vehicles would remain at £1.60 and non-class 2 vehicles would pay £3.20.

3.15 This arrangement was proposed on the basis that the Transitional Toll and Concession Toll regimes could operate concurrently. It involved the Concession Toll being set before 25 August 2012 in accordance with the 2005 Order but its implementation being delayed until the Authority had raised tolls to the appropriate level using the Transitional Toll procedure.

3.16 However, subsequent advice from the Department for Transport is that the 2005 Order does not permit a delay to implementation of the Concession Toll and that once it has been set, future increases can only be made under the Concession Toll framework (3.9 above).

3.17 This means that to properly adhere to the 2005 Order in its current form, the Concession Toll must be set by 25 August 2012 and, in line with the Authority's usual practice of implementing a toll change on 1 January, would be brought into effect on 1 January 2013.

3.18 The intention of the Proposed Order is to delay the statutory deadline to set the toll by 12 months in order to implement the Authority's toll strategy (as set out at 3.14) without imposing adverse and disproportionate consequences on one category of tunnel users i.e. non-class 2 vehicles.

4. Purpose of the Proposed Order

4.1 If the Authority remains bound to set the Concession Toll to have effect on 1 January 2013, only one more interim toll increase could be implemented, on 1 January 2012. The consequences of this for non-class 2 vehicles would be relatively severe in terms of a single percentage increase.

4.2 The table below compares the effect of (a) the Concession Toll being implemented by 1 January 2013 with (b) it being implemented by 1 January 2014, thereby allowing an extra transitional increase.

Toll effective from:	Class 2 vehicles				Non-class 2 vehicles			
	2005 Order	% from previous year	Modified 2005 Order	% from previous year	2005 Order	% from previous year	Modified 2005 Order	% from previous year
1 January 2011	1.20	-	1.20	-	1.50	-	1.50	-
1 January 2012	1.40	17	1.40	17	2.50	67	2.00	33
1 January 2013	1.60	14	1.60	14	3.20	28	2.50	25
1 January 2014			1.60	0			3.20	28

NB Percentages have been rounded to nearest whole number.

4.3 As will be seen, if the Authority's desired Concession Toll of £3.20 for non-class 2 vehicles has to be in place by 1 January 2013, it must increase from its current level of £1.50 with only one interim increase allowed. If this were to be set at £2.50 from 1 January 2012, then the percentage increases would be 66.6% and 28% in

each year. (If it were set from 1 January 2012 at any interim level other than £2.50, there would still be a relatively significant percentage increase, either in January 2012 or January 2013, depending upon precisely where the interim level was set.)

- 4.4 Class 2 vehicles are currently tolled at £1.20, which means to reach the desired level of £1.60, two further increases of 20p on each of 1 January 2012 and 1 January 2013 are needed, equating to only 16.67% and 14.29%.
- 4.5 In short, the effect on non-class 2 vehicles would be disproportionate.
- 4.6 The Authority's preferred strategy for non-class 2 vehicles allows for a 3-step increase to the desired level which is altogether fairer, representing increases of 33.3%, 25% and 28% from 2012, 2013 and 2014 respectively.
- 4.7 The Proposed Order would allow this 3-step approach to be implemented and thus alleviate the impact on non-class 2 vehicle users, helping to reduce the risk of those vehicles using other modes of crossing the Tyne. It would also help ensure the original purpose of the Transitional Toll regime was achieved i.e. to avoid high toll increases being made at any one time in either real or percentage terms.

5. Other Options

- 5.1 Another way to reduce the impact on non-class 2 vehicles would be to set the Concession Toll initially at a lower level than that envisaged by the Authority in 2007. However, this cannot be recommended. There would still be a financial need to ultimately raise the Concession Toll to the level identified in 2007. Any such increase would likely require a public inquiry for the reasons described in 3.9 above.
- 5.2 There are no other steps the Authority could take under the existing 2005 Order to mitigate the effect on non-class 2 vehicles. The limit on increasing tolls to once every 12 months prevents a series of smaller increases to alleviate the impact on HGVs.
- 5.3 The Proposed Order is the only way the necessary modification to the 2005 Order can be made and the Authority is therefore recommended to agree that remedy.

6. Supporting Documentation

- 6.1 The application for the Proposed Order will be made under the Transport and Works Act 1992. The Transport and Works (Applications and Objections Procedure) (England and Wales) Rules 2006 require supporting documentation but the Department of Transport have indicated that given the limited scope of the Proposed Order many of the documents usually required will not be needed here. In particular, an environmental impact assessment (EIA) is not required because the change to be made by the proposed Order does not amount to a project requiring an EIA.
- 6.2 In summary, the Authority must submit eight supporting documents: (i) a written application (ii) the Proposed Order in draft form; (iii) an explanatory memorandum about its effect and purpose; (iv) a statement of the aims of the proposal; (v) a report on consultation undertaken in respect of the proposal; (vi) a declaration of the applicant's status (because it is not an individual or company); (vii) a list of other consents sought; and (viii) a funding statement. These will be prepared by the

Project Director with assistance from the Authority's lawyers.

7 Publicity and Consultation

- 7.1 The Proposed Order and other application documents must be subject to public scrutiny and the Secretary of State must have due regard to any representations or objections made. To satisfy this requirement, the application must be advertised by the Authority and made available for public inspection and a period of 42 days allowed for representations to the Secretary of State.
- 7.2 In particular the Authority must publish:
- (a) immediately after the application has been made, a notice in the London Gazette containing prescribed information ; and
 - (b) notice in prescribed form in a newspaper circulating in each of the areas in which the proposals will have effect. The notice must be published twice, in consecutive weeks. The first notice must be published not more than 14 days before (and not after) the application date; the second no more than 7 days after the application date.
- 7.3 The nature and content of any representations will be taken into account by the Secretary of State in determining how the proposals should be examined and progressed by him.
- 7.4 The Authority is also required to serve a copy of the application (and other prescribed documents) on certain parties. In this case, North Tyneside Council and South Tyneside Council are the only two parties with a local interest who must be sent the documents (which must also be lodged with the House of Commons and the House of Lords).
- 7.5 However, statutory guidance (which effectively must be followed) recommends consultation with interested parties outside the statutory context given that one of the application documents which must be supplied is a report on pre-application consultation which has been undertaken.
- 7.6 In effect, the Guidance requires promoters to undertake pre-application consultation with (more generally) those who are likely to have an interest in the proposals and those who are required to be served with a copy of the application documents.
- 7.7 Following this Guidance, the Project Director has therefore undertaken pre-application consultation with various bodies, including the Councils referred to at section 7.4, the general public and key stakeholders. In this case, it was decided that road haulage bodies were key stakeholders as they would represent the interests of those who would be most affected by the proposals contained in the proposed Order.
- 7.8 The consultation that took place between 23 May and 24 June 2011 and the results of that consultation are summarised in 7.9 below.
- 7.9 There are two statutory consultees, North and South Tyneside Councils. Both were consulted and have expressed their support to the TWITA to modify the Order. The Freight Transport Association (FTA), the Road Hauliers Association (RHA) and the

Freight Partnership (FP) were all contacted and their views sought. The FTA and RHA expressed a preference to having more time to effect the increase in the tolls for HGVs, i.e. to modify the Order. The FP indicated that they deferred to the views of the RHA and FTA. Arrangements were made to hand out letters and response forms to HGVs using the Tyne Tunnel on 14 and 15 June 2011 – 1500 were handed out and 95 (6.3%) were returned. Of the returns 84.2% were supportive of modifying the Order, 10.5% were against and 5.3% had no preference. To consult with the wider public, a facility was built into the NTC Website inviting people to submit an electronic version of the consultation form issued at the toll Plaza on 14/15 June 2011. This brought three responses all of which were supportive of modifying the Order.

7.10 Overall, the Project Director has concluded that the majority of those consulted are in favour of the Proposed Order being sought and made. The Authority is asked to have regard to this fact as a relevant consideration in deciding whether or not to follow the recommendation of the Project Director and resolve to make the application.

8 Further comments by the:

- **Clerk** none
- **Treasurer** none
- **Legal Adviser** - The Authority's Legal Advisor has assisted in the preparation of this report and has nothing to add.
- **Director General** none

9 Next Steps

9.1 If the Authority agrees the recommendations, immediate steps will be taken to publish the first statutory notice referred to in 7.2(b) after which the application will be formally made to the Secretary of State with immediate publication thereafter of the other two notices mentioned in 7.2.

9.2 The statutory procedure in section 239 of the 1972 Act also requires a second formal resolution of the Authority, agreed by a majority of its total membership, confirming its wish to proceed with the application. This resolution must be made as soon as may be at a meeting of the Authority of which at least 30 clear days notice has been given. In anticipation the application will be made in early September 2011, it is proposed to seek such further resolution at the next normal meeting of the Authority after allowing for such a notice period i.e. on 22 November 2011.

10. Conclusion

10.1 In the light of the information contained in this Report, the Authority is asked to consider the recommendations and resolve to authorise the making of an application for the Proposed Order as well as the further resolutions set out in section 2.1.

Contact Officer: P Fenwick, phone: (0191) 211 6058

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Tyne and Wear Passenger Transport Authority

25 August 2011

MODIFICATION TO TOLLS AT THE TYNE TUNNEL

REPORT BY NEW TYNE CROSSING PROJECT DIRECTOR / TREASURER TO TYNE AND WEAR INTEGRATED TRANSPORT AUTHORITY

FOR DECISION

1. Synopsis

- 1.1 This report considers the potential for the Authority to implement its stated policy on tolls for motor-cycles in advance of setting the Concession Toll (in accordance with the River Tyne (Tunnels) Order 2005 – the ‘Order’).
- 1.2 The report also proposes to increase the tolls at the Tyne Tunnel from 1 January 2012 in line with the toll strategy agreed on 27 September 2007. This proposal is subject to the Authority agreeing the recommendation in a report earlier on the agenda for this meeting that it apply for a modification of the River Tyne (Tunnels) Order 2005 to extend the period for setting the final concession toll by 12 months.

2. Recommendation

2.1 The Authority is recommended to:

- (i) Agree to implement a zero toll for motorcycles from 1 January 2012 subject to paragraph 7.5 using option 1 as set out in paragraph 4.0.
- (ii) Approve the increase in tolls for cars (class 2 vehicles) from £1.20 to £1.40 and for HGVs (class 3 vehicles) from £1.50 to £2.00 to take effect from 1 January 2012 as set out in paragraph 7.0.
- (iii) Authorise the Project Director to publish the relevant notices and submit the necessary documentation to the Secretary of State, as prescribed in the River Tyne (Tunnels) Order 2005 (Schedule 14, Part 1) and as described in paragraph 8.1 of this report.

As mentioned above, recommendations (ii) and (iii) are made subject to the Authority agreeing the earlier recommendation at this meeting to modify the 2005 Order to extend the period for setting the final concession toll by 12 months.

3. Background

- 3.1 In September 2007, the Authority received and approved a report on the New Tyne Crossing which addressed the tolling strategy that would be required to move the Project's contract negotiations to Financial Close. The tolling strategy envisaged an increase in tolls of £0.20 for cars and £0.50 for HGVs on the 1st January, 2012

assuming that the New Tyne Crossing Project had delivered the improvements in services to its users.

- 3.2 Paragraph 5.2.1 of the September 2007 report stated that the toll for motorcycles would be free once the final toll structure (Concession Toll as defined in the Order) was set and applied.
- 3.3 The toll structure set out in the September 2007 report reflected the then current interpretation of the Order.
- 3.4 In May 2010 the South East Northumberland Motorcycle Action Group (SENMAG) organised a protest at the Tyne Tunnel. This was aimed to persuade the Authority to change the timing for the introduction of zero tolls for motorcycles. Following the protest, a meeting with representatives of SENMAG took place at which they suggested possible mechanisms that the Authority could use to introduce zero toll earlier than when the Concession Toll is applied – currently scheduled for 1st January, 2014 in the toll strategy approved by the Authority in September 2007.

4. Legal Issues relating to Motorcycle Tolls

- 4.1 The Local Authority's legal adviser was consulted on the outcome of the meeting with the SENMAG and advice was given. This confirmed that mechanisms were available that could allow the Authority to introduce a zero toll for motorcycles earlier than the Concession Toll. This advice was presented to the Department of Transport (DfT) in April 2011 and the DfT concurred with it.
- 4.2 The Authority have two options to apply a zero toll for motorcycles:
 - (i) The 2005 Order specifically allows the Authority to revise the toll payable, which includes revising tolls downwards to nil. It could do so as part of an application to the Secretary of State for his approval of new tolling levels.
 - (ii) The 2001 Tolls Order and 2005 Order both contain provisions that give the Authority discretion as to whether or not to charge a toll, stating that the Authority "may" charge tolls (but need not do so – there is no requirement to set a toll).

For option 1, the Authority may revise the toll at any time but may only do so once in any 12 month period. This would effectively link the decision to zero rate motorcycles to the next toll increase for other classes of vehicles i.e. 1st January, 2012. It would also be necessary to follow the 2005 Order procedure for changing the tolls.

For option 2, the decision required by the Authority would be one of choosing as a matter of policy not to demand the toll for motorcycles, which it could implement, by resolving to do so, as and when the Authority chose.

- 4.3 Option 1 in 4.2 is recommended because it is put in place by Legal Order signed by the Secretary of State and will represent a more formal endorsement of the wish to apply a zero toll to motorcycles in the future.

5. Effect on TT2 Ltd of Zero Toll for Motorcycles

- 5.1 TT2 Ltd collect all the tolls at the Tyne Tunnel and all the revenue is paid to the Authority. TT2 Ltd would therefore have to handle less cash and administer fewer permit accounts if motorcycles were zero rated for tolls. TT2 Ltd have been consulted

and have no issue with zero toll for motorcycles being introduced whenever the Authority so wish to do. There is no revenue implication to TT2 Ltd as the Project Agreement recognised the Authority objective of zero tolls for motorcycles.

6. Financial Implications of zero toll for motorcycles

- 6.1 In 2010/11 there were 98,463 cash transactions for motorcycles and 58,549 permit transactions. The total value of these transactions to the Authority was £30,230. The total revenue from tolls in 2010/11 was £11,662,200.00 making the motorcycle income 0.26% of the total.

7. Suggested Transitional Toll Increase for Cars and HGVs

- 7.1 At the Public Inquiry in to the New Tyne Crossing in 2003, the Authority put forward evidence that the toll to be charged for cars would need to be in the range £1.35 - £1.85 at 1999 prices. This equates to approximately £1.80 - £2.90 at today's prices. The initial analysis of the bids received for the concession contract indicated that the Concession Toll (the toll charged following the opening of the full New Tyne Crossing facility) would be in this range.
- 7.2 Traffic modelling indicated that there could be a significant migration of traffic away from the Tyne Tunnel to other cross Tyne routes if the increase between the toll charged in 2003 and the anticipated Concessional Toll was applied in a single increase. Such a migration could exacerbate the congested conditions on the conurbation's other major transport corridors. Experience has shown that modest increases have a minor and short term impact on traffic using the Tyne Tunnel. In 2001, for example, the toll for cars was increased from £0.80 to £1.00 (a 25% increase) and this produced a traffic volume reduction of approximately 4% which was totally restored within 3 months. Consequently, the impact on the central bridges in Newcastle and the A1, Blaydon Bridge was very small. Prior to 2001, the previous tolls increase from £0.75 to £0.80 (7%) in 1999 had a negligible impact on traffic volumes at the Tyne Tunnel. Therefore, to ameliorate the greater impact of a single toll change to the Concession Toll, transitional tolling powers were incorporated into the Order.
- 7.3 Transitional toll increases were implemented on 1st January 2006 and 1st January 2007 to establish the current toll regime of £0.20 Class 1 (motorcycles), £1.20 Class 2 (cars) and £1.50 Class 3 (HGVs) – all subject to a 10% discount for permit account holders. In compliance with the approved toll strategy, it is suggested that the toll for cars be increased by £0.20 (or 16.67%) to £1.40. It is also suggested that the toll for HGVs be increased by £0.50 (or 33.3%) to £2.00. It should be noted that the Order requires the Concession Toll to comply with EU Directive 199/62/EC which necessitates that the multiplier cars to HGVs be increased from the current 1.25. This transitional toll increase will increase the multiplier to 1.43.
- 7.4 The 10% discount for permit holders will remain.
- 7.5 It is recommended that, in line with a prior commitment given by the Authority, this toll increase is not applied until the New Tyne Crossing Project is fully commissioned and users enjoy the benefits of the additional capacity. On the current programme this is expected in December 2011, therefore the toll increase would then be implemented on 1st January, 2012.
- 7.6 It is worth noting that the 1967 opening toll for cars and HGVs of 12.5p (2s 6d) and 20p (4s) respectively at today's prices equate to approximately £1.80 and £2.90.

8. **Further comments by the:**

- **Clerk** none
- **Treasurer** none
- **Legal Adviser** - The Authority's Legal Advisor has assisted in the preparation of this report and has nothing to add.
- **Director General** none

9. **Next Steps**

9.1 The Order prescribes the process to effect an increase in the toll at the Tyne Tunnel. Following a decision to increase the tolls using the transitional tolling powers, the Authority is required to publish, in at least one local newspaper circulating in the area, a notice in a form set out in the Order. Following publication of the notice, the Authority is required to submit to the Secretary of State:-

- (a) Details of the decision taken to increase the toll – report and minutes; and
- (b) Evidence that the public has been informed of the decision by notice in the local press.

9.2 Upon receipt of this information, the Secretary of State has 21 days to make an Order revising the tolls, subject to him being satisfied that the Authority has correctly adhered to the provisions of the Order. The toll revision order will come into effect 28 days following the making of this order by the Secretary of State. The process will therefore take nearly 3 months to complete and by initiating it in August 2011 it will be possible for the increase to be applied on 1st January, 2012.

9.3 Having made an order revising the toll, the Order precludes the making of another such tolls revision order within 12 months.

10. **Background Papers**

None.

Contact Officer: Paul Fenwick Direct Line: (0191) 211 6058



TYNE AND WEAR INTEGRATED TRANSPORT AUTHORITY

Date: 25 August 2011

TITLE: LOCAL SUSTAINABLE TRANSPORT FUND

REPORT OF: JOINT TRANSPORT STEERING GROUP

Reasons for confidentiality: Not confidential

District Implications: All

1. Summary / purpose of report

1.1 This report provides an update on the Tyne and Wear ITA bids to the Local Sustainable Transport Fund (LSTF).

2. Recommendations

2.1 ITA Members are asked to note the report and:

- confirm the governance / delivery structure for the Key Components (KC) bid;
- approve the outline work programme for 2011/12 for LSTF KC; and,
- approve the development of the business case for the large project.

3. Key Components

3.1 A 'Key Components' bid was submitted on 18 April based on measures to help reduce negative impacts of the school run. We will do this by delivering an integrated programme of walking, cycling, road safety and public transport initiatives that will provide schoolchildren and their parents with safe and attractive alternatives to car use. The total package cost is £10.860m and we sought a contribution from DfT of £4.904m. The application is available on the Tyne and Wear LTP website.

3.2 On 5 July the Parliamentary Under Secretary of State for Transport (Norman Baker) announced that the Department was awarding £155.5m to support authorities in delivering local economic growth whilst cutting carbon emissions from transport. The Department received 73 bids to Tranche One of the Local

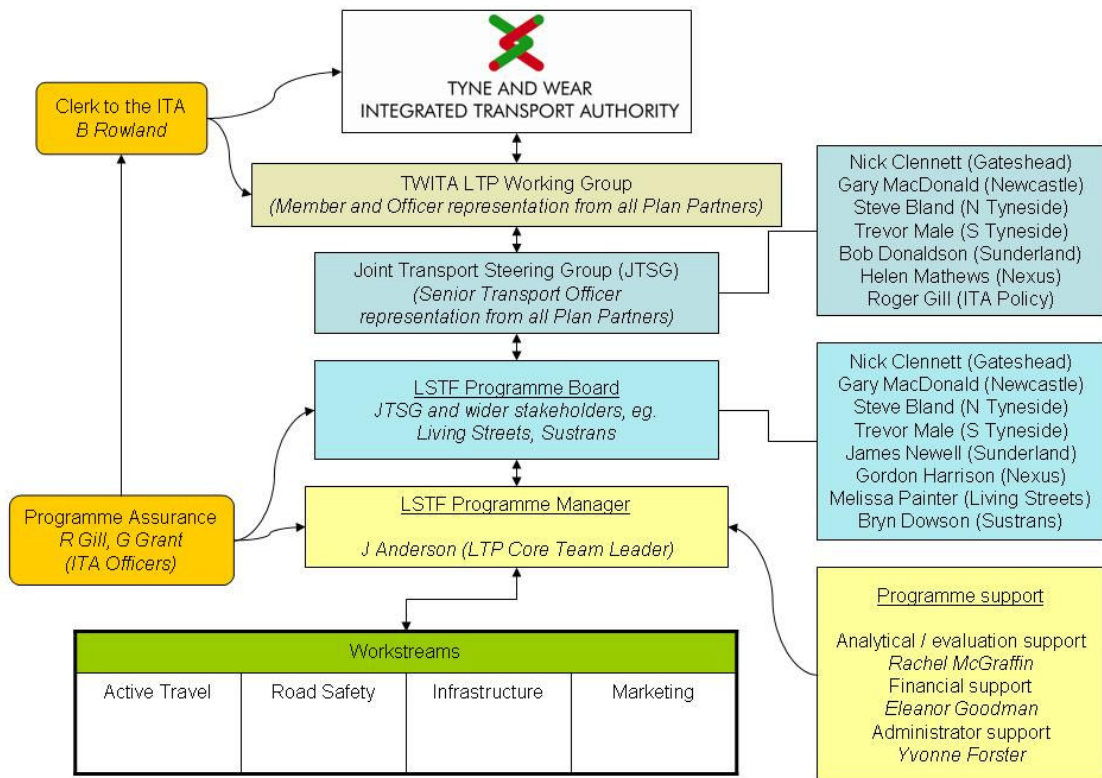
Sustainable Transport Fund from 66 lead authorities. All bids were for small projects requiring less than £5m funding from DfT. 12 bids were submitted as "key components" to large projects. DfT decided to fund 39 proposals in this round. 34 proposals will be funded in full and a further 5 proposals will be funded in part.

3.3 Tyne and Wear were awarded £4.904m (the full amount requested). Payment of grant will be made quarterly in arrears.

3.4 We are awaiting the formal offer of grant documentation. The letter will include full terms and conditions under which the grant is to be provided. These conditions will include accepting full financial responsibility for the project going forward and a commitment to submitting quarterly reports to the DfT on progress and expenditure.

4. LSTF KC Governance

4.1 The governance structure for LSTF KC is shown below:

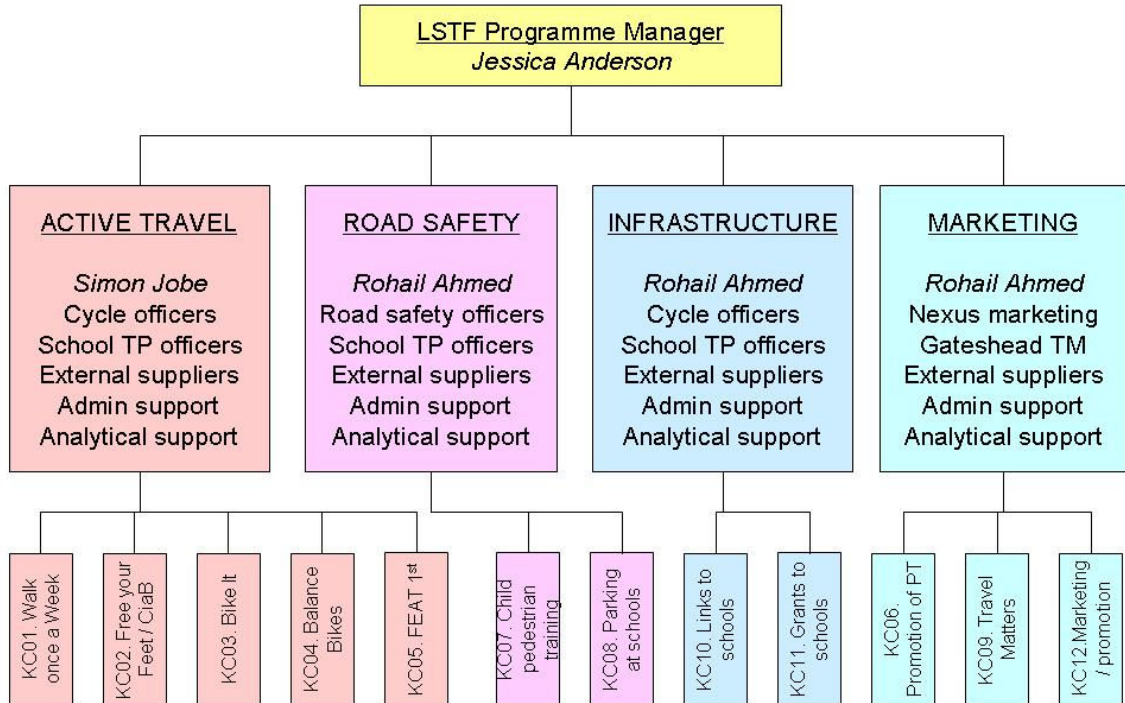


4.2 Delivery of the Programme rests with the LSTF Programme Board. The Programme Board will report regularly on progress to the management groups outlined in the governance structure above.

4.3 The Programme Assurance role will be undertaken by ITA officers to ensure that the ITA (as the overall responsible body), and specifically the Clerk (as Senior Responsible Owner) has officer assurance, support, and involvement throughout.

5. LSTF KC Delivery

5.1 The delivery structure for LSTF KC is shown below:



5.2 Monthly meetings of the LSTF Programme Board have been scheduled – the first one was held on 15 July – and a Programme Manager appointed.

5.3 The Inception Meeting was held on 27 July and a workshop for officers involved in delivery held on 3 August.

5.4 Detailed Project Plans for each project are being drawn up by partners (including external bodies). These Plans must be approved by the Programme Board before delivery can commence – therefore no partner will receive funding until the Board is satisfied with their detailed proposals. The Project Plan contains information under the main headings of resource management, organisation and governance, reporting and controls, delivery plan, communications and engagement, monitoring.

5.5 ProjectVision is being used to manage the Programme and the appropriate access / training has been arranged for partners.

5.6 An outline of activity for the remainder of 2011/12 is given below:

- monitoring of baseline data;
- approval of project plans;

- risk workshop with ITA officers;
- development of communications plan;
- adoption of Memorandum of Understanding between TWITA and each external delivery partner;
- initial contact with schools to introduce programme and seek expressions of interest;
- where appropriate – recruitment of staff;
- selection of schools for delivery of projects in 2011/12; and
- delivery of agreed projects in 2011/12.

6. Initial Proposals for Large Project

- 6.1 Initial proposals for a large project were submitted on 6 June. The main objectives were to improve sustainable access to key employment / growth sites; manage congestion of key corridors; and promote active and healthy travel, with a particular focus on cycling. The total package cost (excluding key components bid) is £48.965m with a desired contribution from DfT of £19.149m. The application is available on the Tyne and Wear LTP website.
- 6.2 On 3 August a letter was received from Jessica Matthew (DfT) announcing that Ministers are inviting the Tyne and Wear ITA to submit a business case for the large project – though Ministers have requested we revise the scope to reduce the budget outlined in the initial proposal. The proposal was considered to have potential to deliver against the local green growth objectives of the LSTF. Given the focus on the journey to work it was also felt there was a good fit with the approved KC bid. However the proposal as presented was not sufficiently detailed. For example, which employments sites do we plan to work with? What are the challenges with these sites? Who are the target audiences, and what may they require?
- 6.3 DfT wish to work with us closely as we develop our plans. An inception meeting is being arranged for late August / early September. Guidance on how to complete a business case will be issued shortly and a small team with experience of creating detailed business cases (including representatives from Gateshead, Newcastle, Sunderland, and the ITA) has been established to complete the work. It is proposed that this team will be supported by partners and specialist consultants where necessary.
- 6.4 The deadline for receipt of business case is 20 December 2011 with a decision on successful projects being made in June 2012. There are no guarantees that the business case will be successful and any costs incurred in developing and presenting the business case are at the risk of partners.
- 6.5 Officers will bring reports on progress of the Business Case to TWITA and TWITA LTP WG. TWITA will need to give sign-off to final Business Case before

submission to DfT.

7. Contact Officer (s)

7.1 Jessica Anderson, LSTF Programme Manager, 0191 211 6139

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