

**CABINET – 1 APRIL 2014****LOCAL TRANSPORT PLAN (LTP3): SECOND IMPLEMENTATION PLAN
2014 - 2017****REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT****PART A****Purpose of Report**

1. The purpose of this report is to:
 - advise the Cabinet of progress with the ongoing development and delivery of the Leicestershire Local Transport Plan (LTP3)
 - provide an update on the work that has been undertaken on the development of the second LTP3 implementation plan (2014 to 2017); and
 - seek approval of the second LTP3 implementation plan, which is attached as the Appendix to this report.

Recommendation

2. It is recommended:
 - a) That the work to refine the LTP3 strategy be noted;
 - b) That the work on the development of the second LTP3 implementation plan be noted;
 - c) That the second LTP3 implementation plan, attached as the Appendix to this report, be approved subject to (d) below;
 - d) That the Director of Environment and Transport be authorised to make such minor adjustments as he considers necessary, including appropriate changes arising from consideration by the Cabinet, prior to the publication of the LTP3 in early April 2014.

Reason for Recommendations

3. The recommendations are made in order to ensure that the County Council is able to publish its second LTP3 implementation plan by early April 2014

Timetable for decisions (including scrutiny)

4. The draft second LTP3 implementation plan was considered by the Environment and Transport Scrutiny Committee on 20th March 2014. The comments of the Scrutiny Committee will be provided to the Cabinet for consideration.

Policy Framework and Previous Decisions

5. The Transport Act 2008 requires local transport authorities to outline how they plan to deliver an effective transport system, by producing a Local Transport Plan (LTP).
6. The Local Transport Plan (LTP3) is a key strategic document for the County Council. The current LTP3 covers the period from April 2011 to the end of March 2026. LTP3 consists of two parts: the long-term strategy (2011-2026), which has been approved by County Council, and shorter term (three-year) implementation plans (the plans), which need to be approved by the Cabinet. The strategy was approved by the County Council on 23rd March 2011, and adopted on 1st April 2011. The plans are reviewed and refreshed annually. The first plan was approved by the Cabinet on 8th March 2011, the first refresh on 6th March 2012 and the second refresh on 6th March 2013.

Resource Implications

8. Preparation of the Implementation Plan is being funded from the Environment and Transport Department revenue budget.
9. In 2014/15, Integrated Transport Schemes (ITS) and other capital funded work related to developer proposed transport infrastructure improvements, will be funded from LTP3 monies. However, from 2015/16 onwards there will be a far greater reliance on securing monies from other sources to continue this work.
10. Whilst there is general confidence that funding will be secured, it should be noted that to rely solely on funding as per the Medium Term Financial Strategy (MTFS) would severely limit the County Council's future ability to deliver schemes which are currently delivered from the Integrated Transport Scheme block. Further, most sources of funding from other sources, including through bidding opportunities and from the Single Local Growth Fund, will require an element of local matched funding. For example, the local match funding requirement for the Local Transport Board project(s) could be in the region of £1.6m to £2m; whether this can include efforts in kind (e.g. costs of staff time or costs of land) or take account of works already done (e.g. the costs of the A50/A46 junction improvement) is unclear.
11. The Director of Corporate Resources has been consulted on the financial implications of this report.

Circulation under the Local Issues Alert Procedure

12. None.

Officer to Contact

Paul Sheard, Group Manager, Transport Policy & Strategy
 Environment and Transport Department
 Tel: (0116) 305 7191
 Email: Paul.sheard@leics.gov.uk

PART B**Background**

13. The Economic Assessment for Leicester and Leicestershire¹ concluded that transport has a key role to play in helping economic prosperity and growth (an effective transport system enables people to travel to/from work, leisure, services and employment etc, employers to more easily access employees, businesses to transport their supplies and services to operate effectively).
14. The Leicester and Leicestershire Enterprise Partnership's draft Strategic Economic Plan (SEP) 2014 to 2020 also recognises the importance of an effective transport system as an enabler of growth.
15. The strategy supports growth. It sets out how transport will support economic, social and environmental objectives. It places an emphasis on achieving the greatest benefits from the funding available.
16. To ensure that LTP3 continues to remain relevant and robust, work has been undertaken to review the LTP3 strategy and to develop the second implementation plan.

LTP3 Strategy Review

17. It is too early in the strategy's life to carry out a fundamental review; this is currently planned to take place in 2016. However, it a light touch review has taken place and, where appropriate, the strategy has been refined to reflect some key changes that have occurred since LTP3 was first published in 2011. These include:
 - new sources of evidence
 - the changing financial position / new sources of funding
 - the National Planning Policy Framework
 - the County Council's new supported bus network policy
18. In line with the strategic direction approved by the County Council, the main transport priority remains to support the growth (population and economy) of Leicester and Leicestershire. In this respect there is a key role to play in delivering the ambitions of the Leicester and Leicestershire Enterprise Partnership (LLEP²) and its draft Strategic Economic Plan (SEP).
19. The broad approach remains the same:
 - making best use of, and getting the most from, the existing transport system
 - using evidence to focus investment in areas that will generate the most benefits (the LTP3 priority areas)
 - maximising value for money, including by co-ordination
 - proactive long-term work programming
20. The paragraphs below provide further information and also set out how, as necessary, the strategy has been refined to reflect changed circumstances.

¹ http://www.llep.org.uk/economic_assessment

² http://www.llep.org.uk/about_us/

Making the most of the existing transport system

21. The emphasis remains strongly on making the most of the existing transport system. In 2011, in light of the Coalition Government's policies to address the national financial crisis, it was thought that funding to invest in significant improvements to transport infrastructure would not be available.
22. Hence, the focus of the strategy at that time was on seeking to promote alternative means of travel. This had two benefits:
 - it would help to make the most of the transport system and, perhaps even more importantly,
 - it would help to tackle deprivation, by enabling people to access training and jobs.
23. This remains an important element of the strategy. Whilst mindful of the County Council's financial position it is still important that there is a continued ability to invest in sustainable travel measures.
24. However, new sources of evidence have further emphasised the scale of the challenge faced in seeking to limit the transport impacts of population growth. Historical trends from 2001 to 2011 (via the 2011 Census results), and future forecasts to 2026 and beyond (from transport modelling work), indicate that due to an increasing population there will be:
 - increased car ownership
 - increased car use
 - greater travel demand.
25. This is predicted to have a significant impact on Leicester's and Leicestershire's highway network, including increased congestion resulting from more vehicle trips, kilometres travelled, delays, and decreasing speeds.
26. This could have potentially damaging economic consequences and could also result in an increase in carbon emissions from transport in the coming years.
27. It is considered that the approach cannot therefore continue to focus solely on seeking to change travel habits. As a result the strategy has been refined to place a greater emphasis on seeking to invest in improving the transport system to successfully support growth (for instance by unlocking pinch points on the existing road network or providing new pieces of infrastructure). The next section of this report *The second LTP3 implementation plan* (page 7 below) provides more detail.
28. The MTFS sets out that from 2015/16 onwards any transport monies made available direct to the County Council (LTP3 money) should be increasingly focused on maintenance work. It recognises that it will still be important to seek to continue to make appropriate investment in the transport system, but that funding will increasingly have to be sought from other sources.

29. Reflecting the changing financial position and the MTFS, the strategy has been refined to include the possibility of securing funding from a number of potential sources to invest in the transport system.
30. Since LTP3 was published the Coalition Government has, through various bidding processes, made more money available to invest in improving the transport system (for instance through the Better Bus Area Fund and the national and local Pinch Point Programmes). This bidding regime will probably continue, providing further opportunities to bid for additional monies to invest in future transport projects.
31. From 2015, the LLEP will manage a Single Local Growth Fund (SLGF), which may be worth up to £50m per year. This fund will help the LLEP to deliver its SEP. It can, where appropriate, be used to invest in transport infrastructure. Officers are working closely with the LLEP to develop the SEP's transport content to seek to ensure that beyond 2015 funding is available to:
 - deliver investment in larger scale transport projects
 - invest in a wide range of transport measures that, amongst other things:
 - support growth
 - reduce carbon emissions
 - address accessibility issues (including access to jobs and training)
 - maintain the County Council's successful record of reducing road casualties
32. The County Council will also continue to seek to secure funding contributions from developers (eg. Section 106, CIL) where it is appropriate and possible to do so.
33. To ensure that the County Council is best placed to secure funding from other sources, it is important that:
 - proposals are based on robust evidence (the Leicester and Leicestershire Integrated Transport Model (LLITM) is an essential tool to provide evidence of a scheme's economic and transport benefits)
 - the Department has sufficient resources and capabilities to develop 'shovel ready' schemes. The number of such schemes is low at present and it is considered important that resources are allocated to ensure that they are increased.
34. It should also be noted that despite the possibility of securing additional sources of funding, levels are still likely to remain limited in comparison to the scale of the transport challenges posed by population growth, both in managing congestion and maintaining the condition of the highway network to its current standard (because more traffic will cause greater wear and tear and damage).
35. The strategy already sets out that within its lifetime there is likely to be a need to investigate and deliver more proactive ways to reduce travel demand in order to maintain a transport system that effectively supports Leicester's and Leicestershire's economic growth. Evidence since 2011 shows an increased likelihood of this being the case.

LTP3 areas of focus

36. Efforts continue to be prioritised in the existing areas of focus (the LTP3 priority areas) i.e. Loughborough, Coalville, Hinckley and south-west Leicester and Leicestershire (which includes parts of the Leicester Principal Urban Area (PUA)). Each of these areas faces significant growth pressures and/or has significant

economic and social challenges, particularly around levels of unemployment/skills. Evidence suggests that transport interventions can help to tackle these issues.

37. In revisiting the evidence base as part of the strategy review no other areas of focus were identified (no other county towns are predicted to be affected by growth as significantly or demonstrate the same level of economic or social issues). In respect to the PUA, work is not yet sufficiently advanced in respect to proposals for growth to its north and east to consider a study to establish future transport needs in that area. The situation will be kept under review as the implementation plan is refreshed.

Value for money

38. The strategic approach remains unchanged, but the approach to achieving better value for money continues to develop:
- *Proactive long term planning*: see paragraphs 39 to 41 below
 - *Improved co-ordination of programme development and delivery*: The Hinckley Area project is an example - a project manager has been appointed to lead work to achieve savings, for example by reducing numbers of individual consultations; planning over a three year period, allowing any additional resource needs to be identified sooner and thus dealt with more efficiently; and packaging work together to ensure the most efficient construction process possible.
 - *Challenging scheme costs: costs will continue to be subject to greater challenge, in order to find savings wherever possible*: Schemes whose costs increase markedly will be subject to review, to determine whether they still represent value for money and should still be built.

Proactive long-term work programming

39. Evidence-based, planned/coordinated programmes of work are more efficient, and generally cheaper to deliver, than reactive unplanned work. In addition a reactive approach is not considered appropriate to deal with the scale of transport challenges presented by substantial economic and population growth.
40. Reflecting this, the strategy sets out that many proposals will be delivered over the longer-term. This approach remains unchanged. This requires on-going investment (revenue and capital) to ensure successful delivery and the achievement of intended outcomes, such as the proposed investment in Hinckley, where the plan is to deliver programmes of actions and measures over a three to four year period.
41. Capital monies will also be required in future years to support the on-going development of improvements to key junctions, and to take forward work on the South-West Leicester and Leicestershire Transport Project, as well as to fund work under the other LTP3 priorities, including road safety.

Other issues

42. The strategy remains unchanged in the light of the National Planning Policy Framework (NPPF). The NPPF replaced a range of planning guidance in 2012 and has an even stronger presumption in favour of development than previous national policy. The LTP3 already places an emphasis on working through the planning system to facilitate development, whilst seeking to resist proposals where evidence shows that there would be severe adverse transport impacts which could not be mitigated.

43. The strategy has been refined to reflect changes to the County Council's supported bus network policy. It continues to recognise the importance of improving the accessibility and connectivity of the transport system for economic and social reasons. However, in line with the new policy, the focus for the County's bus network is on the retention of current commercial routes and the provision of some key supported bus routes augmented by alternative passenger transport solutions, such as Community Transport and Demand Responsive Transport.

The second LTP3 Implementation Plan 2014 to 2017

General

44. The implementation plan sets out the actions and schemes that will be undertaken to help deliver the strategy. It is refreshed annually, ensuring that it remains up-to-date and accurately reflects the strategic approach of the County Council within the overall framework of the long-term strategy. At the end of each three-year period a more comprehensive review of the implementation plan takes place, before the next plan is produced.
45. The draft second LTP3 implementation plan (the Plan):
- reflects the LTP3 strategy (as refined)
 - reflects the LLEP's draft Strategic Economic Plan (SEP)
 - is based on the presumptions that:
 - the need to seek to invest in improving the transport system in order to support the economy is recognised and accepted
 - taking account of the County Council's financial position, funding may have to come from other sources to enable the strategy to be delivered
 - there is no disparity of intention between LTP3 and the MTFS
46. In summary the Plan (the draft of which is appended) contains :
- details of day-to-day work
 - a review of delivery and achievements in the previous year
 - *programmes of actions*, which detail work priorities for the coming year(s)
 - *capital allocations* (the broad capital programmes block allocations)
 - lists of 2014/15 *Integrated Transport Scheme (ITS) funded schemes*
 - the 2014/15 transport *Asset Management capital programme*
47. Broadly, the Plan's content reflects the longer term approach to programme delivery, setting out not just actions and schemes that will be delivered and completed in 2014/15, but also on-going work required to develop and deliver future year programmes.
48. The work embodied in the draft Plan will be resource-intensive, both staff and financial and thus, within current resources there is extremely limited scope for the Department to take on other commitments without impacting on its ability to deliver the actions and schemes set out in the draft Plan.

Action Plan and Integrated Transport Schemes

49. The ITS funding block continues to focus on implementing a small number of larger individual measures, or packages of measures, in key areas.

50. A significant proportion of the actions and scheme proposals for investment contained in the draft Plan are related to the LTP3 areas of focus (see paragraph 36 above) and on other key areas of the transport network which are most affected by growth. Many of these have already been the subject of briefings to Members:
- **Local Sustainable Transport Fund:** complete delivery in Loughborough and Coalville and monitor the impacts of the investments
 - **Hinckley area of focus:** delivery of measures will begin in 2014/15 with work on going to prepare detailed proposals for delivery in the following two to three years*
 - **Programme of improvements to key junctions impacted by growth:** work will continue through 2014/15 to develop specific proposals; the first of these schemes should be delivered in the following implementation plan period (i.e. 2017 to 2020)*
 - **M1 junction 21 area:** following on from the ASDA roundabout improvements, further works to help tackle congestion and safety issues on the local road network serving the junction; any scheme is likely to be implemented in 2016 at the earliest*
 - **Local Transport Board major schemes in the A50 to Anstey Lane and Anstey Lane to A6(N) wedges:** work will continue through 2014/15, in partnership with Leicester City Council, to develop specific scheme proposals; a scheme(s) should be delivered by the end of 2019 (local contribution required in addition to allocation already made)
 - **South-West Leicester and Leicestershire Transport Project:** work will continue through 2014/15 to develop proposals; any schemes are unlikely to be delivered until after 2020*
(*subject to the availability of funding)
51. Some actions and schemes will continue be delivered more widely across the County including:
- implementing the outcomes of the supported bus network review
 - implementation of a series of actions coming out of the new Network Management Plan (this is the subject of a report elsewhere on the agenda for this meeting)
 - road safety schemes
 - grants and low cost measures to enable/encourage sustainable travel
 - a wider roll out of smart-ticketing
 - bus stop improvements
 - Public Rights of Way improvements
52. The proposed 2014/15 ITS schemes include reserves. This provides opportunities for replacement, or for additional schemes to be brought forward, to take advantage of any savings arising from schemes being cheaper than estimated, delays to delivery arising from unforeseen events, or deferment of programmed schemes. All costings shown are illustrative, pending further programme/scheme development work.
53. The ITS programmes were prepared using the best information which was available at the time. Going forward it is important to be flexible, making revisions as necessary to ensure value for money, to respond to changing circumstances and to accommodate any slippages from 2013/14.

Third party work

54. The draft Plan details involvement with third party projects, including working with:
- District Councils and developers to help plan for/deliver housing growth and new employment sites (e.g. Sustainable Urban Extensions, MIRA, East Midlands Gateway (Strategic Rail Freight Interchange))
 - the Highways Agency and other parties to deliver improvements to the Strategic Road Network (e.g. construction of M1 J19 improvements and development of a scheme for A42 J13 (Ashby))
 - HS2 Ltd to best safeguard the interests of Leicestershire
 - Network Rail to achieve the successful implementation of improvements to the Midland Main Line and its electrification

Consultations

55. The draft Plan reflects the LTP3 long term strategy, the development of which involved widespread consultation with the public, partners and stakeholders. Further work will continue to refine its content, based on comments received from Members and consultees, prior to publication.
56. Details of individual improvement schemes will continue to be subject to consultations with local Members and the public under the usual procedures..
57. Further reports will be submitted to the Cabinet for consideration and approval as necessary at appropriate points. The outcomes of consultations on the Hinckley Area Project for example will be reported to the Cabinet in xxxx.

Conclusions

58. Transport is an enabler of growth. The Economic Assessment for Leicester and Leicestershire recognises this as does the Leicester and Leicestershire Enterprise Partnership's draft Strategic Economic Plan for 2014 to 2020.
59. The LTP3 is an important strategic document in seeking to deliver the SEP. The long term strategy has been reviewed to ensure that it remains relevant and robust. The emphasis remains strongly on seeking to make the most of the existing transport system; investment in sustainable measures will remain important to achieving this. However, investment will also need to minimise the risk of economic damage caused by greater levels of congestion and increasingly longer and unreliable journey times.
60. In 2014/15 LTP3 monies will continue to fund ITS schemes and other capital funded work related to developer proposed transport infrastructure improvements. However, from 2015/16 there will be far greater reliance on securing monies from other sources and if this is not successful the County Council's ability to deliver future schemes will be severely limited.
61. Recognising the County Council's financial position, working with key partners, such as the LLEP, is increasingly important to deliver future transport measures and infrastructure, and in order to ensure that it is best placed to secure funding from other sources, the County Council must have well developed schemes, ideally 'shovel ready', based on robust evidence of clear economic benefits. .

62. The draft second LTP3 implementation plan includes actions and schemes that will be undertaken not just in 2014/15 but also work to deliver projects throughout the lifetime of the Plan and beyond.
63. Subject to the Cabinet's approval, the Plan will be published in early April 2014, along with the refined LTP3 strategy document. Reflecting the digital by default policy, the LTP3, including the implementation plans, will continue only to be published in electronic form on the County Council's website. The current version of the LTP3, and its supporting documents, can be viewed [here](#)³.
64. Further reports will be brought to appropriate Members and, where appropriate, the Cabinet as and when specific proposals are developed. All Members, and Highway Forums, will be informed of the programmes in due course.

Background Papers

Leicestershire's Local Transport Plan 3

http://www.leics.gov.uk/index/highways/transport_plans_policies/ltp/current_transport_plans

- Report to the Cabinet 27th July 2010
[http://politics.leics.gov.uk/Published/C00000135/M00002909/AI00025904/\\$RLTP3.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00002909/AI00025904/$RLTP3.doc.pdf)
- Report to the Cabinet 8th March 2011
[http://politics.leics.gov.uk/Published/C00000135/M00003122/AI00027790/\\$CLTP3.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003122/AI00027790/$CLTP3.doc.pdf)
- Report to the Cabinet 6th March 2012
[http://politics.leics.gov.uk/Published/C00000135/M00003389/AI00030551/\\$localtransportplan3implementation.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003389/AI00030551/$localtransportplan3implementation.doc.pdf)
- Report to the Cabinet 6th March 2013

[http://politics.leics.gov.uk/Published/C00000135/M00003630/AI00034103/\\$ESecondRefreshofthe3rdLTP3ImplementationPlan201114.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003630/AI00034103/$ESecondRefreshofthe3rdLTP3ImplementationPlan201114.doc.pdf)

Appendix

Draft second LTP3 implementation plan.

Relevant Impact Assessments

Equal Opportunities Implications

65. The refreshed Implementation Plan reflects the LTP3 long term Strategy. An Equality Impact Assessment (EqIA) was undertaken on LTP3, ensuring that equality issues within the plan were assessed. The scoping report for the EqIA was published for consultation in June 2010, and the EqIA on the LTP3 proposals were consulted on as part of the 1st October 2010 – 26th November 2010 engagement exercise. No significant issues were raised as part of the EqIA consultation.
66. The EqIA ensures that LTP3 fulfils Leicestershire's corporate and statutory duties on equality and diversity. Consultation gave consultees an opportunity to contribute to the policy before it was adopted.

³ http://www.leics.gov.uk/index/highways/transport_plans_policies/ltp/current_transport_plans

Crime and Disorder Implications

67. LTP3 continues to recognise the importance of seeking to address fear of crime issues and emphasises the importance of designing new transport infrastructure to ensure that it provides safe, high quality environments.

Environmental Implications

68. The 2014 to 2017 implementation plan reflects the LTP3 long term strategy. The Strategic Environmental Assessment (SEA) and Health Impact Assessment (HIA) were consulted on as part of the October-November 2010 LTP3 consultation exercise. The results of this consultation were used to prepare an Environmental Statement, which was published with the LTP3 on 1st April 2011.

Partnership Working and Associated Issues

69. As set out in the report, working with key partners, such as the Leicester and Leicestershire Enterprise Partnership (LLEP), will be increasingly important in seeking to provide additional funding to deliver future transport measures and infrastructure.

Risk Assessment

70. Significant risks to the successful completion of the project are indicated in the table below (note: these are the risks that have been identified to date).
71. It should also be noted that delivery of the LTP3 implementation plan will form an important part of the department's business planning process. This process includes risk assessments for individual teams, schemes and initiatives, as appropriate.

Risk assessment

	Risk(s)	Possible effect(s)	Mitigation
1	Unsuccessful bids for additional funds and/or limited funding, which is not able to fund the whole programme.	<ul style="list-style-type: none"> • Could severely limit the County Council's future ability to deliver schemes, which are currently delivered from the Integrated Transport Scheme block. This could have a significant impact on Leicester's and Leicestershire's highway network (i.e. by increasing vehicle trips and congestion, reducing speeds and maintain the condition of the highway network to its current standard (because more traffic will cause greater wear and tear and damage). This could have potentially damaging economic consequences. • Could result in individual projects being delayed / not delivered. • Could result in limited funds being spent on less effective schemes. 	<ul style="list-style-type: none"> • Continue to work closely with the LLEP. • Utilise experienced officers to produce bid documents • Ensure range of officers trained/in training to produce future bid documents • Use robust evidence and follow guidance and approved/agreed procedures.
2	Insufficient departmental resources to assess potential schemes (based on robust evidence of clear economic benefits) and/or develop 'shovel ready' schemes.	<ul style="list-style-type: none"> • Could affect the County Council's ability to secure funding from other sources. 	<ul style="list-style-type: none"> • Ensure range of officers trained / in training to assess and develop schemes • Review procedures to ensure that the most effective work practices are adopted
3	Scheme costs are different to predicted costs.	<ul style="list-style-type: none"> • Reduced value for money • Knock-on effect on programme i.e. under/overspend, potential delay of other schemes or inefficient working as other schemes are brought forward. 	<ul style="list-style-type: none"> • Undertake post scheme reviews (lessons learnt) • Undertake process review when predicted/actual costs are noticeably different • Ensure adequate training for officers estimating costs
4	Poor co-ordination of works	<ul style="list-style-type: none"> • Inefficient working • Higher scheme costs • More disruption 	<ul style="list-style-type: none"> • Employment of Project Manager(s), where appropriate.
5	Slippage of works programmes due to poor project management	<ul style="list-style-type: none"> • Delay to individual projects, with knock on effect on overall programme • Increased costs 	<ul style="list-style-type: none"> • Good communication • Adequate training • Approved/agreed procedures