Name of Committee: Cabinet

Date of Committee: 8th September 2011

Report Title: Stratford-upon-Avon Local Sustainable Transport Project

Summary:
The County Council has been awarded £4.995m of funding from the Department for Transport towards delivery of the Stratford-upon-Avon Local Sustainable Transport Project. After accounting for expenditure already incurred, existing capital allocations and the funding awarded through the Local Sustainable Transport Fund, a final £1.868m is required to meet the expected outturn cost of the scheme (£8.866m).

This report asks Cabinet to recommend to Council that (i) the final £1.868m should be allocated to the Project and (ii) to approve, subject to allocation of the funding, completion of scheme development and award of contracts for implementation of the Project.

For further information please contact:
John Harvey
Senior Transport Planner
Tel. 01926 412527
johnharvey@warwickshire.gov.uk

Would the recommended decision be contrary to the Budget and Policy Framework?
Yes

Background Papers:
None

CONSULTATION ALREADY UNDERTAKEN:
Details to be specified

Other Committees: .................................................................

Local Member(s):
(With brief comments, if appropriate)
- Cllr R Hobbs
- Cllr P Balaam
- Cllr R Cockings
- Cllr Mrs K Rolfe

Other Elected Members:
- Cllr R Chattaway – for information
- Cllr J Whitehouse – for information

Cabinet Member:
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)
- Cllr Alan Farnell – approved.
- Cllr Peter Butlin
Chief Executive .................................................................

Legal

Ian Marriott – comments incorporated.

Finance

Mark Sanders – comments incorporated

Other Chief Officers

Monica Fogarty – Approved; Graeme Fitton – comments incorporated.

District Councils .............................................................

Health Authority ..............................................................

Police ..............................................................................

Other Bodies/Individuals ..................................................

FINAL DECISION  NO  (If ‘No’ complete Suggested Next Steps)

SUGGESTED NEXT STEPS :

Details to be specified

Further consideration by this Committee .................................................................

To Council

13 September 2011

To Cabinet ..........................................................................

To an O & S Committee .....................................................

To an Area Committee ..............................................................

Further Consultation ...........................................................................
Stratford-upon-Avon Local Sustainable Transport Project

Recommendations

1. That Cabinet recommends to Council that the estimate for the Project within the Capital Programme be increased to £7.129m (the balance of the £8.866m total cost being revenue expenditure);

2. That Cabinet recommends to Council that the Project be funded as set out in Table 2.4 of this report;

3. That Cabinet approves, subject to Council’s approval of recommendations (1) and (2) above, the invitation and award of tenders and / or the procurement of services necessary for the development and implementation of the Project as set out in paragraph 5.2 of this report.

1. Introduction

1.1 At its meeting on 17 March 2011, Cabinet agreed Stratford Parkway as the priority scheme for a bid to be submitted to Department for Transport (DfT) for the Local Sustainable Transport Fund (LSTF).

1.2 At its meeting on 29 March 2011 the County Council noted the decision of Cabinet to submit Stratford Parkway as a bid to the LSTF. It was also reported to the Council that there would be a shortfall between the amount bid for through the LSTF and the total costs of the scheme and that this would need to be addressed if the bid was successful.

1.3 On 5 July 2011, the DfT announced that the bid had been successful and approved funding of £4.995m. This funding was awarded according to the cost profile submitted by the County Council, with no opportunity to carry forward any unspent funds into subsequent financial years.

1.4 This report therefore recommends that Cabinet recommends to Council that an additional £1.868m be allocated to the Project. Full award of this funding in September 2011 will ensure delivery of the Project by December 2013; this is a challenging but deliverable timescale if there are no delays.

2. Proposed Funding Arrangements

2.1 The capital construction cost of the Stratford Parkway station scheme is £6.989m at 2013/14 outturn prices. This is more than the £6.57m allocation
currently approved within the capital programme and the increase is due to the delays imposed on Project construction following the Government’s abolition of the Regional Funding mechanism.

2.2 In accordance with relevant DfT guidance, LSTF bids had to propose a mixture of revenue and capital funded elements consistent with the overall Fund profile and also had to include a significant package of sustainable travel measures. Therefore, a number of measures were included within the proposals that had previously not formed part of the Stratford Parkway Station scheme, including:

**Capital Funding** (total value £0.14m)
- A ‘Boris Bike’ style cycle hire scheme;
- Electric vehicle charging points;
- Station Travel Plan infrastructure investment.

**Revenue Funding** (total value £1.737m)
- Weekday off-peak, later Evening and Saturday train service enhancements;
- P&R bus and security service enhancements;
- Smarter Choices travel campaign;

2.3 Inclusion of the measures noted in 2.2 above with construction of the Parkway Station has increased the outturn cost of the Project to an estimated at £8.866m at 2013/14 prices (comprising £7.129m of capital and £1.737m revenue funded measures). These elements must be implemented if the funding from the Department for Transport is to be taken up and thus it is recommended to Members that the cost of the scheme within the capital programme is increased to £7.129m.

2.4 It is recommended that funding of the full £8.866m be achieved as set out in Table 2.4 below:

**Table 2.4 Project Funding Profile**

<table>
<thead>
<tr>
<th></th>
<th>£m 2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department for Transport Local Sustainable Transport Fund</td>
<td>Revenue</td>
<td>0.00</td>
<td>0.00</td>
<td>0.36</td>
<td>0.502</td>
<td>0.572</td>
</tr>
<tr>
<td>Warwickshire County Council Approved capital allocation for Project development (including £350,000 spend to date)</td>
<td>Capital</td>
<td>0.00</td>
<td>0.350</td>
<td>0.554</td>
<td>2.517</td>
<td>0.140</td>
</tr>
<tr>
<td>Centro (West Midland ITA) Contributions to enhanced Train Services</td>
<td>Revenue</td>
<td>0.00</td>
<td>0.00</td>
<td>0.303</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Proposed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warwickshire County Council Currently unallocated Prudential Borrowing</td>
<td>Capital</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1.168</td>
<td>0.00</td>
</tr>
<tr>
<td>Stratford Supplementary Planning Document Developer funding contributions already collected for transport measures in Stratford-upon-Avon</td>
<td>Capital</td>
<td>0.00</td>
<td>0.00</td>
<td>0</td>
<td>0.700</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>0.350</td>
<td>0.390</td>
<td>1.550</td>
<td>5.768</td>
<td>0.808</td>
<td>8.866</td>
</tr>
</tbody>
</table>

2.5 When Council set the 2011/12 – 2013/14 capital programme for the authority on 15 February 2011, there was approximately £32m prudential borrowing left remaining to be allocated. It is proposed that the additional £1.168m prudential borrowing included in Table 2.4 be met from this unallocated capital resource.
2.6 Stratford District Council are currently amending the List of Schemes that can draw on the developer funding, collected through the Stratford Supplementary Planning Document and the proposed revisions include the £0.7m required for the Parkway Station.

2.7 The Cabinet of the District Council will meet to resolve changes to the List of Schemes on 12 September 2011 and provided the Parkway Station is included, then the County Council will be able to allocate the £0.7m to the Project as proposed in Table 2.4 above.

2.8 In the report taken to Council on 29 March 2011, two further options for funding the £1.868m shortfall were put forward, including unallocated future year Local Transport Plan (LTP) funding and self financed borrowing. Whilst both these options remain available, neither is recommended given that:

(i) Use of unallocated LTP resources would reduce the amount of funding available to implement other transport initiatives across the County; and that

(ii) Self financed borrowing would require debt charges to be met from the car parking revenues that the County Council will collect when the Parkway Station opens; this revenue can otherwise by used to reduce the subsidy on the Park & Ride1.

2.9 Centro (the West Midlands ITA) have agreed a £0.303m contribution towards the cost of the enhanced train services provided as part of the Project. Delivery of these services in partnership with Centro will achieve efficiency savings for both organisations and enable a level of service to be provided that could otherwise not be funded by either individual organisation.

2.10 The Department for Transport have set out the cost profile for spending the LSTF funding and their contribution to the Project will be paid as resource and capital grant on the basis of the expenditure profile set out in the bid document. There will be no opportunity to carry forward any unspent funds into subsequent financial years.

2.11 The restriction on carrying forward funds does represent a potential risk to the Project, however this risk has been mitigated in the following ways:

(i) The Project programme has been developed by design consultants Scott Wilson Ltd, independently verified by experienced industry consultants SLC Rail and subsequently approved by Network Rail. There is therefore high industry confidence that the Project programme is realistic and can be delivered on time (and therefore on budget);

(ii) To ensure that the Authority is an ‘informed client’, SLC Rail have been appointed by the County Council to the role of Project Advisor and will assist in the management and delivery of the Project. SLC Rail staff appointed to the

---

1 Further information on the car parking revenue expected to be collected by the County Council can be found in paragraph 3.3 of this report.
Project have already delivered a number of similar station schemes on time and on budget including Coleshill Parkway, Aylesbury Vale Parkway and Denham Station (new platforms and footbridge).

(ii) The funding from the Department for Transport only represents approximately half the total cost of the Project; there is therefore some cushion between the expenditure required to claim the LSTF funding and the total expenditure on the Project. There is also the opportunity to implement certain elements of the Project ahead of profiled years to compensate for any delay incurred.

2.12 Subject to Cabinet approval of the recommendations within this report, any shortfall in Department for Transport funding incurred during delivery of the Project could be met from existing LTP resources and would not be presented as a future pressure on borrowing resources.

3. **Ongoing Financial Implications of the Scheme**

3.1 Once the Parkway Station has been constructed there will be no ongoing funding requirements for the County Council. Revenue funding has been secured as part of the LSTF bid to subsidise the enhanced train services for the first 3 years of operation. Beyond this the services are projected to become commercially viable and it is expected that the DfT will include the new services with the post 2015 Rail Franchise, with the incumbent train operator taking the risk on future revenues.

3.2 If the enhanced train services are not included within the post 2015 Rail Franchise then the pattern of train services will revert to the existing timetable. This is a very unlikely scenario given the business case projections, however it should be considered. This scenario will pose no risk to the County Council because the existing services are the sole responsibility of the train operator, however, it could reduce the amount of car parking revenue expected to be generated.

3.3 It is expected that all car parking revenue generated by passengers leaving their vehicles at the Parkway Station will be retained by the County Council and this funding could be used to reduce the existing bus-based Park & Ride subsidy or other appropriate transport measures. Parking tariffs will be in-line with those charged at the existing Town Station. The level of car parking revenue expected to be retained is demonstrated in Table 3.3 below:
Table 3.3 Project Car Parking Revenue Income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ramp in Passenger Demand</td>
<td>65%</td>
<td>85%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>WCC Parking Revenue</td>
<td>£0.087m</td>
<td>£0.118m</td>
<td>£0.144m</td>
<td>£0.173m</td>
<td>£0.184m</td>
</tr>
</tbody>
</table>

(This projection is based the enhanced 2 train per hour off-peak service continuing beyond 2015/16).

3.4 The possibility of securing additional developer (S106) contributions towards the cost of the Project will continue to be explored; with the objective of reducing the ultimate cost to the County Council.

3.5 Both the cycle hire and electric vehicle charging measures included within the Project have ongoing revenue costs however, these facilities are expected to be self-financing from the outset. It is proposed that the cycle hire scheme be administered locally as part of an existing scheme and that the electricity consumed through the vehicle charging points is funded by the car owners through a smart metering system. In the unlikely event that these facilities do not become self-financing then the costs are expected to be less than £1000 per annum and can easily be met through retained car parking charges.

4. **Public Consultation**

4.1 Prior to announcement on the outcome of bids by the Department for Transport, County Council officers met with local Members and residents associations to discuss ongoing publicity surrounding the Project. As a result officers propose to attend the Stratford Community Forum scheduled for 8 December 2011 in order to (i) provide an update on scheme development and (ii) provide the opportunity for further comment on the proposals.

5. **Next Steps**

5.1 Subject to Cabinet approval of the recommendations within this report, full Council will be asked to increase the cost of the Project within the Capital Programme to £7.129m and to allocate the additional required funding when it meets on 13 September 2011.

5.2 Subject to award of the additional funding required, Cabinet are asked to

(i) approve the invitation and award of tenders for all works necessary to deliver the following elements of the Project:

- Parkway Railway Station construction;
- Park & Ride site alterations & enhancements;
- Station Travel Plan infrastructure;
- ‘Boris Bike’ style cycle hire scheme; and
- Electric Vehicle charging infrastructure.
(ii) approve the procurement of the following services:

- Enhanced weekday off-peak, later evening and Saturday train services
- Park & Ride bus service & security contracts
- Smarter Choices consultancy support & enabling contracts

(iii) approve the implementation of any other agreements or works necessary to deliver the Project, in accordance with the Business Case and Local Sustainable Transport Fund Bid proposals.

This will enable development and delivery of the Project by December 2013, in accordance with the Project Programme.

Report Author: John Harvey
Service Head: Graeme Fitton
Strategic Director: Monica Fogarty