

Manchester City Council Report for Resolution

Report to: Economy, Employment & Skills Overview & Scrutiny
Committee – 9 February 2011
Executive – 16 February 2011

Subject: Greater Manchester's Third Local Transport Plan (LTP3) and
the Manchester Implementation Plan

Report of: Chief Executive

Summary

One of the priorities of the Greater Manchester Strategy (GMS) is to significantly improve transport connectivity into and within the city region. Greater Manchester's Third Local Transport Plan (LTP3) comes into effect in April 2011, and its underlying objective is to deliver a city region transport strategy to best support economic growth, social well-being, environmental improvement and better public health across the conurbation over the next 10-15 years.

In October 2010 Executive considered and commented on the Greater Manchester Integrated Transport Authority's consultation on the LTP3 Strategy. That report also set out the purpose of the Manchester Implementation Plan - as part of LTP3, each of the 10 GM Districts is required to prepare an Implementation Plan which sets out local transport policies and proposals to meet the LTP3 objectives and local priorities supported by an outline 4-year spending programme. This includes, in principle, major schemes, minor capital works and maintenance of highways, bridges and other structures although the reality with this LTP is that resources are significantly reduced compared with LTPs 1 and 2.

While many of the major transport schemes proposed through the Greater Manchester Transport Fund will proceed as planned and further opportunities will present themselves through new programmes such as the Regional Growth Fund, the Local Sustainable Transport Fund and Community Infrastructure Levy, there has been an unprecedented reduction in the level of resources available for spending on local transport minor works. Similarly, other programmes that supported capital and revenue spend on transport, such as SEMMMS and Working Neighbourhood Fund are coming to a close. This will present a major challenge to the Greater Manchester authorities in general, and the City Council in particular over the next 3-4 years.

This report;

- updates Executive on the consultation responses to the long term Strategy;
- summarises the extremely challenging position faced by the City Council in funding transport minor capital works over the next 3-4 years;
- sets out progress in preparing the LTP3 Manchester Implementation Plan
- outlines details of a new competitive bidding process announced by Government – the Local Sustainable Transport Fund

- seeks delegated authority in respect of the approval of the City Council's LTP spending profile for submission to GMPTE prior to the deadline on 28 February; and
- seeks delegated authority in respect of the approval of the finalisation of the wider Manchester Implementation Plan

Recommendations

That Executive:

1. Note the requirement to publish an Implementation Plan and offer any comments that they are minded to make on the draft.
2. Delegate authority to the Chief Executive and the City Treasurer, in consultation with the Leader of the Council, the Executive Member for Finance, the Executive Member for the Environment and the Executive Member for Neighbourhood Services to approve the local transport spending programme to be submitted to GMITA/GMPTE
3. Delegate authority to the Chief Executive, in consultation with the Executive Member for the Environment, to approve the final Manchester Implementation Plan

Wards Affected:

All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	An efficient and well functioning transport network is essential to the economic performance of the region and sub-region
Reaching full potential in education and employment	Accessibility to the transport network is key to local residents being able to connect to education, training and jobs
Individual and collective self esteem – mutual respect	An accessible transport system gives people access to a wide range of leisure and social networking opportunities
Neighbourhoods of Choice	Good transport links to jobs, education, shops, healthcare and leisure are important to a successful neighbourhood. Investment in local street infrastructure can also help deliver safe and attractive places to live

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Draft Greater Manchester Local Transport Plan 3 Long Term Strategy Consultation published by AGMA and GMITA

http://www.gmppte.com/upload/library/LTP3_Long_Term_Strategy_141010.pdf

Reports to AGMA Executive 28 January 2011 and GMITA Policy & Resources Committee 21 January 2011;

Summary Local Transport Plan Consultation

Local Sustainable Transport Fund

GMITA/GMPTE budget 2011/12

1.0 Introduction

- 1.1 LTP3 is the prime document for setting out local transport strategy and policy supported by investment and implementation programmes including how transport will be organised, managed and improved to support the delivery of wider strategies including the Greater Manchester Strategy, the Council's Community Strategy and the Climate Change Action Plan.
- 1.2 Greater Manchester's Third Local Transport Plan (LTP3) is required to be in place by April 2011. Under changes introduced in the Transport Act 2008 the responsibility for producing the new LTP lies with GMITA in consultation with the Greater Manchester districts. Agreement has been reached that GMITA, supported by AGMA's Joint Transport Team, will prepare a Long Term (up to 2020) Strategy that will be supplemented by a series of 4-year Implementation Plans prepared by each District.
- 1.3 This report provides an update for Executive on the responses received to the long term Strategy consultation, informs members about progress on preparing the Manchester Implementation Plan and seeks delegated authority to approve the spending profile for submission to GMPTE prior to the deadline on 28 February.
- 1.4 The report also sets out the extremely challenging position faced by the Authority in funding transport minor capital works over the next few years. Finally, the report outlines details of a new competitive bidding process announced by Government – the Local Sustainable Transport Fund (LSTF).

2.0 Outcome of the LTP3 Strategy Consultation

- 2.1 GMITA and AGMA undertook a formal consultation on the LTP3 longer term Strategy that ran for 12 weeks from 04 October to 24 December. The appended report, summarising the responses and setting out officers' comments, was agreed by AGMA on 28 January and GMITA Policy & Resources Committee on 21 January.
- 2.2 The consultation produced a total of 496 responses from individuals and 23 responses from businesses generating a total of 1655 specific comments on issues. The highest number of comments referred to bus issues (377) followed by rail (313) and 276 comments on the overall strategy. This compares favourably with the 80 responses received during the consultation on LTP2 in 2006.
- 2.3 Overall, the responses received supported the general thrust of the strategy whilst either seeking greater emphasis of specific elements or raising specific details on particular schemes. There was significant support for measures that promote more sustainable travel and this will provide a strong basis for a bid to the forthcoming Local Sustainable Transport Fund, details of which are set out later in this report.

- 2.4 Following the previous report to Executive in October 2010, the Council submitted a formal response to the consultation which is acknowledged in the appendix to the AGMA report as follows;
- The need to ensure that the emerging approach addresses transport as part of a single investment assessment platform
 - The need to ensure alignment with the Transport Strategy for Manchester City Centre
 - The need to show how LTP supports key growth areas (reference to Regional Centre and Airport City)
 - The importance of developing analysis of current transport patterns and pressures on networks
- 2.5 This underlines a key point in the City's submission that LTP3 needs to be set in the context not only of the GMS but also our emerging approach to tackling head on the challenges of demand and supply in the economy. We have to address transport as part of a single assessment platform which makes these linkages so that investment is geared to tackling worklessness and GVA enhancement as well as linking people to jobs. It is vital that we show that transport is delivering better value for money; this is partly about how we appraise schemes but also about how we align third party investment to local outcomes. We need a new policy context to be developed which enables these approaches to be embraced with LTP3 clearly highlighting the schemes that we will support. This means not doing everything but utilising our scarce funds to deliver the best outcomes.
- 2.6 The long term strategy document successfully formulates a common framework and context in which transport can contribute to the delivery of the GMS. There is broad support for the focus on economic growth, but this must successfully translate to connecting Manchester residents to opportunities that secure real social and environmental outcomes for Manchester's communities. Officers will continue to work with GMPTE/GMITA on the final drafting of LTP3 to seek to ensure alignment with satisfactory outcomes for the City.
- 2.7 In order to publish LTP3 in time for the statutory deadline of 31 March 2011, AGMA and GMITA have agreed the following final stages;
- 11 February – report to GMITA setting out the proposed changes to the Strategy and to proposed indicators and targets;
- 25 February – report to AGMA Executive Board setting out the proposed changes to the Strategy and the proposed indicators and targets;
- 28 February – final date for submission of the spending proposals from District Implementation Plans
- March – final delegated approval of LTP3 documents by Chairs / Vice Chairs of GMITA and AGMA Executive Board
- 31 March – publication of LTP3 and District Implementation Plans

3.0 The Combined Authority and delivery of LTP3

- 3.1 Following the Government's decision to proceed with the establishment of the Combined Authority (CA), significant progress has been made in drafting the documentation to allow the laying of the draft Order in Parliament. The CA will abolish GMITA and see the establishment of a new Transport for Greater Manchester Committee (TfGMC). It also designates GMPTE as the CA's executive body in relation to transport and renames it Transport for Greater Manchester (TfGM).
- 3.2 The new arrangements will include new powers and responsibilities for TfGM. In addition the four negotiated transport protocols on traffic signals, transport studies and forecasting, network management and road safety will greatly assist the more effective delivery of the transport commitments in both the GMS and LTP3
- 3.3 In addition, the Combined Authority model of Commissions offers a unique platform for cross-agency working and partnership funding to deliver shared objectives and complement mainstream (e.g. health promotion) activities building upon current partnership funding models.

4.0 Impact of the transport spending settlement

- 4.1 One of the purposes of this report is to update Executive on the progress being made in preparing Manchester's Implementation Plan as part of the LTP3 Process. The Implementation Plan, further detail of which appears below, will set out the Council's local transport policies and proposals over the next four years together with an explanation on how these will be delivered, monitored and reviewed to support the overall aims and objectives of LTP3. A key part of the Implementation Plan will be the Authority's detailed proposals for spend on capital works and maintenance which are required to be submitted to GMPTE by 28 February for inclusion in the final LTP3 documentation.
- 4.2 Officers have been working on LTP3 and the Manchester Implementation Plan since the middle of 2010. During this period, the context within which the plans have been prepared has changed considerably. It has become increasingly obvious that the level of resources to implement local transport proposals will be severely constrained in coming years. Therefore, before describing the current position on preparation of the Implementation Plan, it is important to set out the changing funding landscape.
- 4.3 The City has previously secured significant resources from the LTP1 and LTP2 periods which have supported capital investment in transport schemes together with the maintenance of local roads, bridges and other structures. Whilst the City remains well placed to benefit from investment in major transport schemes, it is clear that the level of funding available for local transport over the current spending period, as with other services, is substantially reduced as a result of Government spending cuts and the Council's policy of protecting frontline services.

- 4.4 Manchester will gain significant benefit from the schemes in the Greater Manchester Transport Fund (GMTF). The whole of the GMTF programme has been designed to maximise economic benefit, employment growth and GVA subject to also improving economic and social outcomes. As such the city will gain broad benefit not only from the individual schemes in the programme but also from the collective cumulative impact. At its meeting on 28 January, AGMA Executive Board confirmed its previous commitment for a 3% levy increase that will support the delivery of proposals in the GMTF. A number of these schemes have direct beneficial impact on the City, particularly the Metrolink extension programme. A further scheme, the Cross City Bus Package, is in the DfT's "Development Pool" awaiting a final confirmation of funding later this year
- 4.5 However, LTP funding for the Integrated Transport Block (ITB) that supports minor works was reduced by 25% during the current financial year (2010/11). Following the autumn 2010 Spending Review, LTP ITB spending was reduced by a further 27%. After this reduction, the total amount of LTP funding for minor capital works is £0.7m less than the amount of the topslice required for major capital projects in 2011/12. This shortfall is fully offset by increases in the next two years. However, this means that there is no LTP ITB funding available to the GM districts or GMITA until 2014/15.
- 4.6 The LTP settlement for Maintenance Block is also reduced by 6% next year with further reductions in future years. Although budgets have yet to be finalised it is clear that, other than major schemes where funding is committed or which are the subject of specific bids to DfT, resources in the immediate future will be largely restricted to maintenance with little, if anything, available for minor capital works.
- 4.7 It is against this background of that Members will be agreeing the local transport budgets for 2011/12 and subsequent years. Meanwhile officers have been unable to finalise the proposals in the Implementation Plan until such time as the level of available resource is known. However, the following paragraphs give a brief outline of how work on the Plan is progressing.

5.0 Manchester Implementation Plan

- 5.1 As described above, the GMTF investment has been secured and a decision from DfT is awaited on the Cross-City Bus Package and LTP funding will be severely constrained. As such, an obvious point to address when considering a new transport strategy that covers a period that we know will experience low levels of discretionary resource availability is, *"Why do we need a new transport strategy or a Manchester Implementation Plan ?"*
- 5.2 Firstly, the publication of LTP3 is a statutory requirement on GMITA and AGMA has previously agreed that all GM districts will prepare Implementation Plans
- 5.3 Secondly, the reality is that the issues that the Plan addresses cannot be ignored because resources are scarce. The rationale of the Plan is about how

transport can support the Council's wider priorities as set out in the Community Strategy such as helping grow the economy, tackling worklessness, delivering more attractive neighbourhoods and securing better opportunities for Manchester's residents. And, whilst it is clear that LTP resources will be scarce over the next four years, there will be an imperative to explore and create new and innovative ways of securing transport investment. Over the 4-5 year period of the Plan new funding mechanisms and programmes will appear. Some are already known, the Regional Growth Fund is up-and-running; the Local Sustainable Transport Fund - described in Para 6 below – has already been announced. Similarly the Community Infrastructure Levy appears to have been embraced by the Government although the details of how it will work remain sketchy. The Manchester Implementation Plan will provide a robust strategy and sound evidence base around which to frame proposals and bids for these additional sources of funding

- 5.4 The Manchester Implementation Plan has been developed to deliver the priorities set out in the Community Strategy, the emerging Local Development Framework Core Strategy and LTP3 objectives as follows;
- To ensure that the transport network supports the Greater Manchester economy to improve the chances of residents and the success of business
 - To ensure that carbon emissions from transport are reduced, in line with UK Government targets, to minimise the impact of climate change
 - To minimise the adverse impact of transport on public health and community safety
 - To ensure that the design and maintenance of the transport network and provision of services supports sustainable neighbourhoods and public spaces
 - To maximise value for money in the provision and maintenance of transport infrastructure and services
- 5.5 The following paragraphs summarise the contents of the Implementation Plan.
- 5.6 **Chapter 1; About Manchester - Vision & Strategic Priorities** – This chapter will set the context and includes the vision and strategic priorities contained in the Community Strategy, recognising the need to support economic growth, improve productivity, whilst connecting residents to opportunities that secure real economic, social and environmental outcomes for Manchester's communities.
- 5.7 **Chapter 2; Context** – Based on the Strategic Regeneration Framework areas, the draft describes spatial priorities within the City, covering strategic opportunities and implications for transport, in economic, social and environmental contexts. This approach strengthens the alignment between

regeneration programmes and investment decision on transport. This chapter examines other key challenges around accommodating population and jobs growth, addressing deprivation, low skills, public health inequalities and the requirement to reduce carbon emissions. Finally, this section analyses travel and transport in Manchester today, articulating the successes of previous LTP investments, such as the rise in cycling and a reduction in accidents but setting out also the challenges that remain by each mode.

- 5.8 **Chapter 3; The Strategy** – The strategy is set out by transport mode, reflecting the proposals and committed investments to be delivered through the Greater Manchester Transport Fund and the Transport Strategy for Manchester City Centre that will benefit Manchester’s residents and businesses. In addition the strategy covers the management of the highway network and the role of Smarter Travel Choices, which seeks to make the transport network more efficient and effective, whilst reducing car dependency and carbon emissions by promoting a change in travel behaviour. The aim is to maximise public transport investments, encouraging active travel on foot and bike and smarter, car journeys through increased use of car clubs, car sharing, and supporting low carbon technologies and eco driving, for example. The chapter explores benefits of developing more sustainable and healthier transport options, in terms of creating neighbourhoods of choice, that are accessible, safer, vibrant, attractive and well maintained, as well as managing traffic to reduce the impacts on residents, whilst balancing environmental social and economic objectives.
- 5.9 **Chapter 4; The Implementation Plan** – This section is intended to set out the Implementation Plan presented as a 4 year programme of prioritised schemes and resources. This can only be completed when there is greater clarity around the level of funding for capital and maintenance works that may be available for local transport over the next year 3-4 years (see Section 4 above). Once these programmes are finalised they will be included in the Implementation Plan and forwarded to GMITA/GMPTE at the end of February, to prepare for publication in the final version of LTP3.
- 5.10 **Chapter 5; Delivery and Monitoring** – The Manchester Implementation Plan was also intended to serve as the Thematic Business Plan for the Transport Board, in support of the Manchester Partnership’s delivery of the Community Strategy to 2014. This section will focus therefore on setting out how the Plan will be delivered including transport governance, performance and monitoring arrangements, some of which will be executed at the Greater Manchester level, through the monitoring regime for LTP3 and at local level through the Transport Board. The thematic partnership business planning process was initially delayed pending the outcome of budget discussions and, more recently, a review has been announced of Partnership arrangements going forward. This chapter will need to be reviewed to reflect the revised circumstances
- 5.11 The development of the Implementation Plan has included input from the Transport Forum with residents and interest groups; a series of workshops with the city’s Regeneration Teams and Manchester Airport, together with

comments from other stakeholders and interested parties. It continues to be “work in progress” and consultation with various interested parties and stakeholders is continuing. Once there is more certainty around budgets and delivery mechanisms, officers can conclude the drafting process. This report therefore, seeks delegated authority for the Chief Executive, in consultation with the Executive Member for the Environment, to approve the final version of the Implementation Plan to allow publication before the end of March. Once approved, the Implementation Plan will be published on the Council’s website.

6.0 The Local Sustainable Transport Fund

- 6.1 Government has now issued guidance on a new competitive bidding process, the Local Sustainable Transport Fund which will be established from 2011/12. The total Fund will be worth £560 million over 4 years split £210m capital and £350m revenue.
- 6.2 The guidance describes the core purpose of LSTF as supporting sustainable transport solutions that support economic growth while reducing carbon, with a focus on:
- supporting jobs and business through effectively tackling congestion;
 - improving reliability of journey times and access to employment;
 - changing patterns of travel behaviour
 - driving greater use of more sustainable transport modes; and
 - developing an integrated approach to meeting local challenges and delivering additional wider social, environmental, health and safety benefits for local communities.
- 6.3 The guidance encourages bids to take the form of package approaches. DfT is looking to retain a broad and permissive scope to reflect the need for differing solutions in differing circumstances. However, the guidance suggests that bids could include measures aimed at:
- encouraging modal shift, including active travel;
 - managing demands on the network;
 - better traffic management; and
 - improving access and mobility.
- 6.4 Guidance makes clear DfT’s intention to support as many local transport authorities (LTAs) as possible through the Fund. Two scales of bids will be invited: “small project” bids up to £5 million or, in the alternative, “large project” bids up to £50 million. LSTF is open to all English LTAs outside London. In ITA areas, the guidance states it is DfT’s expectation that the bid would come from an ITA, and that, in general, only one bid will be allowed for each transport authority. Bidders are also encouraged to show strong partnership support from community, voluntary and private sectors.
- 6.5 Initial submissions for large project bids are required by DfT by 6 June 2011. Guidance also states that any sufficiently developed “key components” within large projects may be submitted by 18 April 2011 for advance consideration. GMPTE officers will be attending a DfT briefing on the bidding process in early February. Further advice will be sought from DfT on this arrangement, with a

view to identifying any potential components that may be brought forward from a Greater Manchester bid.

- 6.6 Greater Manchester is well-placed to make a unique bid to LSTF. In particular:
- The scale of continuing investment in Greater Manchester, through GMTF, provides significant scope for smarter choices that drive efficiency from both current and emerging networks;
 - The combined model of TfGM and District transport activities should provide the opportunity to develop and offer the optimum and unique blend of TfGM travel marketing delivered through local channels; and
 - The Combined Authority model of Commissions offers a unique platform for cross-agency working and partnership funding to deliver shared objectives and complement mainstream (e.g. health promotion) activities, with LSTF building upon current partnership funding models, such as Evergreen.
- 6.7 In addition, the Greater Manchester partners have already agreed that the principles of an integrated smarter travel choices programme, the coordinated promotion of active travel and the establishment of shared network efficiency measures should lie at the heart of its long-term strategy developed for LTP3. The LSTF provides the opportunity to kickstart the initial delivery of a number of the early elements that are proposed within the strategy, so as to provide a platform for the longer term maintenance of smart travel programmes in Greater Manchester.
- 6.8 At its meeting on 28 January, AGMA Executive Board agreed that a single LSTF should be developed for Greater Manchester based on three key strands of work;
- **Active Travel** – particularly hard and soft measures to promote cycling;
 - **Smart Travel Information & Promotion** – including ticketing; and
 - **Network Efficiency and Accessibility** – delivery of targeted small scale service and infrastructure enhancements that “lock in” the benefits of smarter travel by providing enhanced network efficiency, quality, safety or accessibility
- 6.9 Further reports on progress with the bid will be brought to future meetings of the Executive.
- 7.0 Next steps**
- 7.1 Comments from stakeholders and other interested groups continue to be submitted on the content of the draft Implementation Plan and decisions on the level of resources that will be available to support the Plan have yet to be finalised.
- 7.2 In accordance with the timetable agreed by AGMA Executive and GMITA, the Authority’s detailed proposals for spend on capital works and maintenance are required to be submitted to GMPTE by 28 February for inclusion in the final LTP3 documentation. However, at the time of drafting this report, the budgets for 2011/12 and subsequent years were still to be finalised.

- 7.3 Executive is therefore, requested to agree to delegate authority to the Chief Executive and the City Treasurer, in consultation with the Leader of the Council, the Executive Member for Finance, the Executive Member for the Environment and the Executive Member for Neighbourhood Services, to approve the spending programme to be submitted to GMITA/GMPTE.
- 7.4 Executive is also requested to agree to delegate authority to the Chief Executive, in consultation with the Executive Member for the Environment to approve the Manchester Implementation Plan to allow it to be published before 31 March 2011.

8.0 Recommendations

- 8.1 A full set of recommendations appears at the front of the report