

Committee	Cabinet
Date	29 June 2004
Report By	Director of Transport and Environment
Title of Report	Local Transport Plan Annual Progress Report 2003-04
Purpose of Report	To seek approval of the draft Local Transport Plan Annual Progress Report for 2003-04 and supplementary bids.

RECOMMENDATIONS

The Cabinet is recommended to:

1. **approve the draft Local Transport Plan Annual Progress Report for 2003/04 and the supplementary bids for submission to the Government Office for the South East; and**
 2. **authorise the Director of Transport & Environment, in consultation with the Lead Member for Transport & Environment, to make any appropriate detailed amendments to the Annual Progress Report prior to its submission.**
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1. Financial Appraisal

1.1 The Local Transport Plan (LTP) established the framework for a five year investment programme for transport covering the period 2001/02 to 2005/06. It has led to significantly enhanced borrowing approvals from Government to support the delivery of that programme. The Authority's performance on transport is rated annually by Government, which informs borrowing allocations for the subsequent year.

1.2 The assessment of last year's Annual Progress Report (APR) as 'weak' led to £165,000 of borrowing approvals being withheld out of a total allocation of £12m for 2004/05, pending demonstration of improved performance. A statement has been submitted to the Department for Transport (DfT) outlining improvements made to the service and seeking the release of the sum withheld (see Appendix 1).

1.3 Three separate supplementary bids are proposed to be submitted with this year's APR requesting funding for the following projects:

- Bexhill – Hastings Link Road, seeking in the order of £50m. The County Council should therefore seek a higher percentage grant. Financial protocol dictates that for a local road project this should be divided broadly equally between grant and supported borrowing approval. However, as this road would deliver relief to the trunk road, a higher proportion of grant element will be requested. At the moment, trunk road projects are 100% grant supported. A 50% grant would, therefore, not seem appropriate. It should be noted that the element ultimately financed by supported borrowing approvals will present a further financial pressure to the County Council as in reality the effect of the 'floor' means that no additional revenue funding is received to service the repayment of debt. Cabinet approved a preferred route on 8 June 2004 which, if provisionally approved by Government Office for the South East (GOSE), will expose the Authority to a financial risk in the range of £1.35m to £3.65m;
- Newhaven Town Centre, which seeks approximately £750k for 2005/06 and £500k for 2006/07 to reduce severance effects of the ring road and improve bus penetration to the town centre; and
- development of a Global Positioning System (GPS) based bus management system incorporating real time passenger information in Hastings estimated at £600k and requiring future revenue support of £120k. Cabinet on 8 June 2004 considered the principle of meeting this ongoing revenue cost from decriminalised parking income in Hastings.

2. APR Development

2.1 The criticism of the County Council's performance embodied in the decision letter on last year's APR has not been taken lightly. These findings were considered at a full Council meeting earlier in the year, ensuring a corporate priority to resolve the deficiencies identified. Officers have worked closely with GOSE, DfT and their consultants. The input of each has been

welcomed to help improve the County Council's standing. Additional officer support has been procured through both consultancy commissions and with the appointment of temporary staff to ensure that sufficient resources are available to implement the necessary improvements and resolve the deficiencies.

2.2 The work has focused on the definition of and progress towards targets, greater rigour in reporting divergence from planned spend and outputs, and providing clear evidence detailing how the implemented schemes actually contribute to achieving the Government's ten year transport plan targets. This work is supported by the Best Value Review of Road Transport which has been focused to help address the criticism. A review of all the LTP targets was instigated to ensure that they are accurately defined, that the methodology for data collection is clear and that the target level is sufficiently realistic or indeed stretching.

2.3 This year's report, a draft of which is attached, bound separately, explains changes to a number of targets which underpin the LTP. These revisions have been the subject of consultation with the East Sussex Strategic Partnership (ESSP) and are detailed in appendix 2. Most of these revisions are positive, involving either the stretching of targets or the re-wording of targets to make them more robust and meaningful. Eight out of the thirty three targets have been stretched, due to better than anticipated progress, to ensure that they remain challenging, and two have been reduced due to problems which cannot be resolved in the plan period. These relate to:

- the proportion of 10/11 year olds receiving cycle training. This has mainly been caused by difficulties with recruitment and retention of cycle proficiency trainers. This has now been addressed by an increase in remuneration for trainers, and more trainers are now being recruited. A more appropriate but still challenging target has been set; and
- air quality at Glyne Gap between Hastings and Bexhill. At present, East Sussex is meeting all of the UK Strategy for Air Quality Targets, except for particulate emissions at Glyne Gap. The County Council is working with Hastings Borough Council on an "Air Quality Management Area" and action plan for this site, including additional monitoring to determine the precise cause of the particulate emissions, which is likely to include a non transport related element. However, it is unlikely that this particular air quality problem will be rectified by the end of the year and thus the target has been revised accordingly.

2.4 During the last year there has been very little divergence from the planned LTP output programme and over 400 schemes have been implemented. This includes two bus priority schemes, 47 road crossings, 11 local road schemes, 214 maintenance schemes, 40 bus infrastructure schemes, 17 local safety schemes, 10 travel plans, 22 cycle schemes and 29 traffic calming and traffic management schemes.

2.5 Two areas of divergence have taken place. Fewer than planned walking schemes were implemented due to one scheme being developed to provide for cyclists and consequently being re-classified as a cycling scheme. Two out of the six planned improvements to public transport interchanges were not implemented due to unavoidable land issues. These two improvements will be implemented as part of the Authority's 2004/05 scheme delivery programme.

3. Conclusion and Reason for Recommendation

3.1 Significant improvements have been made over the last six months embodied in the day to day planning and delivery of transport improvements in the county. Early comment from GOSE, DfT and their consultants have indicated that this year's APR is shaping up well and already represents an improvement on last year's report. The increased priority given to this reporting and supplementing of staff resources has allowed officers' time to focus the draft to directly reflect the guidance, as well as allowing the emerging report to be shared with key contacts at GOSE and DfT and their comments incorporated. This should realise an improved Government rating, advised in December 2004, and I trust will reflect in the level of financial approvals granted for 2005/06.

BOB WILKINS Director of Transport and Environment
22 June 2004 C29JUNE-LTP-Progress

Contact Officer: Peter Hayward - Tel. No. 01273 482136 (Local members: All)

BACKGROUND DOCUMENTS

Guidance on LTP Annual Progress Reports – Fourth Edition – DfT March 2004; ESCC Local Transport Plan – July 2000.

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Dear Bob,

Local Transport Capital Settlement 2004/05: Held Back Funds

Thank you for your letter dated 11 May 2004 regarding the release of the £165,000 held back from the 2004/05 indicative allocation for East Sussex County Council. I am writing to you to explain how criticisms of the County Councils performance outlined in GOSE's response to our third APR have been and are being addressed, and how the steps taken are improving the delivery of the transport planning service. I apologise that this is a long letter, but I wanted to give you a comprehensive set of data to assist in your assessment.

I am confident that the findings of the DfT commissioned work into examining the links between transport planning and the corporate management of the County Council will prove to be a source of positive information regarding the high priority that is attached to the LTP process. I appreciate this will have a considerable bearing on the assessment of whether to release the held back funds. I would like to provide further information to complement the findings of the appointed consultants.

The County Council, which holds the distinction of being the most improved County Council in the country at the last CPA refresh, is determined to deliver the Council Plan objectives, provide best value for money and adopt best practice in delivering its transport services to the people in East Sussex. The main aims are to:

- improve our highway service from basic maintenance to new schemes;
- reduce the duplication of client/consultant/contractor roles;
- improve our resources and retain and develop our staff;
- provide modern facilities and better IT systems to improve customer service, and meet changing needs and service levels.

Proposed Department Restructuring

Prior to receiving the 2003 settlement letter, the County Council had already agreed to a restructuring of the Transport & Environment Department, instigated by its Management Team, to improve the delivery of our services. The proposals which have full cross-party member support, will change the mix of in-house and external service provision to improve the delivery of transport and vehicle services to make sure that we can manage workloads and pressures more effectively. The current contract agreement with our design consultants, Owen Williams, will be modified as we seek to bring a greater proportion of the design element back 'in-house'. We will develop our existing two area offices with a 'one-stop-shop' network office in each area to deal with maintenance, new schemes and design with an improved customer interface.

As part of that restructuring I am intending to establish a dedicated group to concentrate on LTP development and APR reporting. That group will report directly to an Assistant Director to give this work area a much higher profile in the Transport & Environment Department.

APR Improvement

The findings on last year's APR have not been taken lightly and were considered at a full meeting of the County Council earlier in the year, ensuring a corporate priority to resolve the

deficiencies identified in the settlement letter. Officers have worked closely with GOSE and DfT and the input of each has been welcomed to help improve our standing locally and nationally. Each of the issues raised in the settlement letter has been discussed in detail with GOSE and DfT to ensure that the appropriate improvements could be implemented by officers at the County Council. Additional officer support has been procured through both consultancy commissions and with the appointment of temporary staff to ensure that sufficient resources have been available to implement the improvements and resolve the deficiencies identified in time for the next reporting cycle.

An internal officer group, involving each of the key service managers was established following the detailed discussions with GOSE and DfT, and a number of individual actions were identified. These focused particularly on the definition of and progress towards targets, greater rigour in reporting divergence from planned spend & outputs, and providing clear evidence as to how the schemes that are implemented through the LTP process are actually contributing to the delivery of the Government's ten year plan for transport.

A review of all the LTP targets was instigated to ensure that they are accurately defined, that the methodology by which the data is collected is clear, and that the target level is sufficiently realistic or indeed stretching. Indeed, the capital programme for 2004/05 was adjusted following the target review to focus on those targets for which we were not 'on-track' during 2003/04. Specific schemes were selected for the 2004/05 capital programme with the clear aim that they contribute directly to getting such targets back 'on-track'. The target review, which involved some suggested changes to certain targets, was also informed by a consultation exercise to ensure that all key stakeholders concurred with the suggested changes. The consultation included consideration of the changes by the East Sussex Strategic Partnership (ESSP) which was supportive of the proposals. The membership of that Partnership is detailed in the appendix to this letter.

The whole programme for the production of this year's APR was brought forward to allow copies of a draft to be shared with the Local Planning Authorities in the county, with a view to incorporating statements from each reflecting their assessments of the implementation of the LTP into the final report, which we shall include even though we understand these are not now required. The programme also provided for emerging drafts of the report to be shared with GOSE and DfT allowing sufficient time for their comparison with the guidance.

The County Council's LTP capital programme for 2004/05 has been presented to reflect the scheme categories set out in the Government finance form, LTP F4. This now enables easier monitoring of progress toward the numbers of schemes planned for delivery during the course of the year. It also allows the County Council to determine at an early stage whether the number of the planned schemes are likely to be achieved, and if not, allows opportunity for re-scheduling.

Best Value Review

The County Council's Transport Service is in the process of a Best Value Review to establish what improvements can be made to deliver better this important service function. The findings of the Review will be considered by the Transport & Environment Scrutiny Committee in June 2004. The scope of the review of road transport being undertaken is focussing, not only on how best to deliver the service, but has also been adapted to consider specifically the cross-cutting strands of the service criticised by Government in the 2003 settlement letter. The Best Value Review is benefitting from a staged inspection by the Audit Commission, the first of its type in the country, which will help to ensure a comprehensive and rigorous approach and ultimately inform the 2005 Comprehensive Performance Assessment refresh.

The Best Value Review Panel Members (Councillors Gadd, Freeman and Bridger) have heard evidence from transport service managers about how individual schemes are selected and developed to deliver specific objectives and targets. The panel has also compared how BAA and Southern Water determine their programmes and seek to balance conflicting priorities. This is being helped throughout by Mike Palmer, a recently retired assistant director from Hertfordshire County Council who is giving an informal but independent perspective. The findings of the review, once known, will ultimately be used to inform the future development of the service.

Corporate Mapping

As referred to earlier in this letter, WS Atkins were commissioned by the Department for Transport in April 2004 to carry out a research project into "corporate mapping" within the County Council and the process by which targets and objectives for transport are considered and prioritised by the authority as a whole.

The consultants draft report dated 3 May 2004 found that the Council has "*undertaken an immense amount of work on the development of its Council Plan, performance management and communication strategies – and all of which will support improvement in the delivery of its transportation strategy and services*" and that "*transportation strategies are linked into the Corporate Plan as well as service plans, such as for Strategic Management and Economic Development and Community Safety, Community Planning and E-Government and, of course, the Structure Plan.*" The Council has recognised, however, that it needs to improve the way in which transportation objectives and targets at corporate, service and operational levels flow one to the other. The Best Value review will examine how this can be improved further.

Application of released funds

If the County Council is successful in securing the held back funds, the £165,000 will be used to progress the package of works for Newhaven town centre. The detail of the works was explained in the unsupported supplementary bid submitted with APR3 (a copy of which is available should you require it). The first phase of the works has already been implemented (during 2003/04) and had as its focus the aim of improving the pedestrian environment in the town centre by implementing a series of traffic management and pedestrian infrastructure enhancements.

The County Council is seeking to add further improvements to the town centre in this, and subsequent years, in line with the broader strategy objectives for the area. The implications of not securing the funds would mean further delays to the implementation of these works, which could potentially damage the relationship that the County Council has built with its partners and stakeholders in the town. The County Council wishes to act upon the community support and consensus achieved for these improvements, and to delay them yet further may act to their detriment.

Working with DfT and GOSE

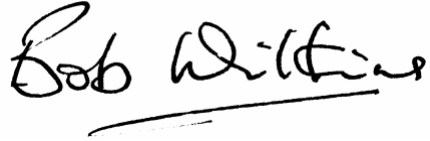
I am pleased with the support that we have received from the DfT in independently scrutinising our corporate processes and I am also pleased with the positive findings in the draft report about the practice already in place and the suggestions for improvement. Whilst I can already see significant improvements made over the last six months, embodied in the day-to-day planning of delivering transport improvements in East Sussex, it is also widely recognised that further refinements can still be made. Despite having experienced some very challenging but helpful scrutiny during this period, the issues raised by Government have also helped to ensure a better working relationship, particularly between the County Council and officers at GOSE, but also with the DfT as well.

This better working relationship can only benefit all parties concerned, a particularly important factor when considering that the development of the second generation LTP is well underway in East Sussex. As part of its development, we recently commissioned Professor David Begg, (Chair of the Commission for Integrated Transport), to conduct an independent review of all of our transport policies. His endorsement of our transport policies has provided

us with a sound base from which to produce our next LTP, and we look forward to sharing early drafts of the Plan with you at a suitable stage in the programme.

Should you require any further clarification, or additional information regarding the evidence required to support the release of the funds, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink that reads "Bob Wilkins". The signature is written in a cursive style and is underlined with a single horizontal line.

Bob Wilkins
Director – Transport & Environment