

Briefing Note February 2011: Bidding for the Local Sustainable Transport Fund (LSTF)

Key Issues in this note

What can be in a bid?

Who can bid, when and for how much?

What will make a successful bid?

What can be in a bid?

The clue to LSTF is in the title – this is not for single major infrastructure projects or schemes dealing with national traffic. Localism is the key and this has subtle impacts on how bids should be prepared and justified.

The word “package” is also used very frequently in the guidance. In previous bids to central Government (including regional level), packages have often been strongly led by a single piece of infrastructure. In the LSTF, problems should be considered “holistically” with an emphasis on “cleverly targeted, modest investments”.

Bids will need a range of mutually supportive elements, and a clear description of how those elements interact. The guidance gives a list of examples in para 15, which are summarised below:

Travel plans, including work and school, with a multi-modal approach

Traffic management to make “best use of the existing infrastructure”

Area wide **parking control schemes** including Park and Ride, linked to walking and cycling networks

Road safety, including hard and soft measures

Sustainable transport corridors, including real time information and bus improvements

Low speed zones, pedestrian priority and limiting vehicle access to town centres

Use of **freight consolidation centres** to reduce local lorry traffic

Reducing traffic pollution by controlling emissions from vehicles used in a local area.

Paragraphs 18 and 19 of the guidance go on to list ICT schemes and others to “reduce the need to travel” and finish by saying “*There is no limit on the types of measures that may make up a package proposal*”. This is qualified by the statement that major rail, road or bus schemes are excluded. However, packages can still be considered which would “complement and add value” to a scheme which is about to be, or already being, built.

Who can bid, when and for how much?

Any transport authority in England but outside London can bid, and where there is joint working across boundaries one should take the lead. In metropolitan areas, the ITA should normally lead. For National Parks, the local authority should lead but the NPA should be full partners in any bid. Only one individual (as opposed to leading a joint) bid is allowed per authority.

Most importantly, other local bodies should be involved from community organisations to local businesses and transport operators. This includes active participation in the package and “a local contribution towards the costs”. This is not absolutely clear but it opens up a wide range of possibilities including not for profit companies as well as the more usual Section 106 contributions.

This idea raises certain issues in relation to building capacity, for example in terms of genuine local transport partnerships, because the time scale for the first round of bidding is very tight.

In fact, the first round of low cost bids (less than £5mn) have to be in by April 18th 2011, which is particularly challenging for existing mechanisms, such as transport partnerships, to be fully engaged, let alone any new form of community involvement. This is an area where extra effort will be needed to meet the deadline. Decisions on these bids will be in June 2011.

The next deadline for smaller bids is June 6th 2011, when expressions of interest need to be submitted. Full bids are required for these by February 24th 2012, with decisions the following May.

For larger bids between £5mn and £50mn (which will clearly be far fewer in number) initial proposals have to be submitted by 6th June 2011. A shortlist will be selected in July, and these will need to put forward a full business case by 20th December 2011. Final decisions on these will be in June 2012.

If there is a “key component” of a scheme over £5mn which can be identified and justified in its own right, this will have to follow the April 18th 2011, decision June 2011 pathway. Acceptance of a key component will not, however, guarantee acceptance of the larger bid.

Overall this means that work will have to proceed very rapidly for either of the two funding streams. Given that decisions on the first batch of bids will be in June this

year, extra resources will be needed to launch projects which are accepted as well as prepare them.

What will make a successful bid?

As well the guidance itself, DfT have indicated publicly some of the key elements which will need to be included in a successful bid. The following is our interpretation of the specific additional elements for LSTF identified so far.

Revenue content: One important consideration is the balance between capital and revenue. Unusually for central Government funding, the emphasis is on the latter, and this will require extra work to define the expenditure and both its outputs and, most importantly, outcomes.

Genuinely new schemes: DfT have clearly indicated that genuinely new bids are sought, not simply old schemes which are given a change of emphasis. Combined with the revenue expenditure this is an opportunity but also very challenging.

Local engagement: As indicated in the timescale above, discussing any bid with local interest groups individually or through an existing mechanism will be tight, but will significantly strengthen any proposals. Firm financial commitment from such bodies will be hard to obtain, but offers of support in kind should be possible and useful.

Continuity: It is clearly the case that DfT is mindful of the experience of some earlier bid based projects, which were effectively separate from mainstream transport provision and had limited life beyond the bid funding. Continuity will be a key factor and the more this can be demonstrated, the stronger the bid will be.