

# Local Sustainable Transport Fund

## Frequently Asked Questions

### **Assessment**

#### **How do we capture economic growth in the bid?**

This will depend on the nature of the measures being proposed – clearly changes in journey times are important, but the bid should also take account of the wider contribution that the investment can make to the local economy of an area e.g. by enhancing the viability of town centres, enabling new development.

We recognise the difficulty in quantifying and valuing these benefits in a short timeframe. Bidders should aim to do this as far as possible, but in some cases indicative figures or orders of magnitude, evidenced by local data, or where this is not available the wider evidence base, is acceptable. For example, an authority may want to provide evidence on the expected increase in retail footfall associated with a town centre improvement, or the expected employment at a development is unlocked by the transport investment.

We are expecting a wide variety of bids and it will be for the bidder to provide a compelling case to demonstrate that the investment will support the local economy and facilitate economic development. In assessing the bids we will consider both the evidence provided and the rationale for investment. In addition to evidence on impact bidders are strongly advised to explain what barriers/opportunities to local economic development exist, what improvements in conditions they are seeking to deliver, and how the bid achieves this. Bidders should also describe what would happen if the investment did not go ahead e.g. economic activity would take place in a different location.

#### **How important is reducing congestion?**

Reducing congestion, where it is part of your local problem, can be important to reduce delay and so potentially contribute to both economic growth and carbon reduction.

#### **Isn't the economic focus at odds with cycling?**

No. There is evidence to demonstrate that increased cycling can have a beneficial impact on the local economy. Evidence set out in the White Paper for instance shows that pedestrians and cyclists can spend just as much if not more in town centres than those travelling by car. It follows that in certain locations improving access to the town centre by foot and cycle could encourage local growth.

(Note - we are not expecting future NHS savings through health gains to be made as a key economic argument, although this could be listed as a benefit).

### **Isn't the economic focus at odds with road safety measures?**

Improvements to the safety and security of transport infrastructure and services will in some circumstances contribute to supporting economic growth and reducing carbon. In respect of economic growth, a significant proportion of the value of preventing road casualties relates to avoiding lost output. Further background information and a valuation of road accidents and casualty costs is available at:

<http://www.dft.gov.uk/pgr/statistics/datatablespublications/accidents/casualtiesqbar/rcgb2009>

### **How will we measure carbon impacts?**

DfT has published the "carbon tool" designed to assist local authorities in measuring carbon reduction. This can be found at

<http://www.dft.gov.uk/pgr/regional/policy/carbon-tool/>

Use of the carbon tool is not a requirement. Authorities may also offer other methodologies or metrics.

### **How much of an issue is air quality?**

Proposals which bring about improvements in air quality will be viewed favourably. The key objectives of the fund, however, are economic growth and carbon reduction.

### **Will there be any more guidance on non-quantifiable benefits?**

No. There is already guidance in the public realm.

### **How will you assess non quantifiable benefits?**

Bids need to present a convincing case using what data is available – either local data, or where this is not available, data from the wider evidence base. It is acceptable to use indicative figures or to give an order of magnitude for improvements. Where no figures are available a bid will need to indicate whether or not improvement will be likely.

### **How will you judge delivery?**

Bids will need to demonstrate sound project management, governance structures and identify risks and mitigation strategies. This will obviously need to be more formalised and in greater detail for large projects. Large projects invited to submit full business cases may be asked to develop a delivery plan and / or risk register setting out how they will address the specific delivery issues and risks associated with their projects. However, this will be proportionate to the particular delivery challenges faced by the bid.

**Why do we need to show the sustainability of project post implementation period?**

Ministers are keen to embed sustainable transport into local transport delivery. Bids will need to show that the proposal is sustainable beyond the life of the fund by demonstrating as clear a trajectory as possible towards break even at the end of the funding period.

**Could the benefits of sustainable travel towns be scaled up to the ITA area?**

For small bids, evaluation data from similar projects can be used as part of the evidence base. The bid would need to set out a clear and convincing rationale for any assumptions that have been made.

**NATA – will it be changed? From when?**

The department is currently reviewing the way investment decisions are made, and we expect to make an announcement in due course. We expect that this review will be complete in good time for you to complete large bid appraisals.

**Could different bits of a package be assessed separately (e.g. some bits, like behavioural, not suitable for NATA).**

A NATA appraisal is only required for large bids and this will need to cover all elements of the bid. However should you wish to appraise certain elements separately using methodologies other than NATA, then you may do this in addition to your NATA assessment. In this case you would need to clearly explain the methodology used.

**Bidding Process, Delivery and Post Delivery Evaluation**

**How detailed does the evidence of partnership working need to be?**

Evidence of partnership working will need to be convincing, rather than detailed, for example, showing how delivery partners will add value. A letter from senior personnel would count, but the bid would also need to demonstrate an appreciation of the transport problem across the whole bid area.

Bids should set out the governance arrangements for delivering the project at section E of the application form. This should show clear roles and responsibilities for each delivery partner.

**Would be good to get public health professionals on board for cycling and walking projects?**

Yes. We know that active travel is highly beneficial to public health. The Department for Health White Paper published last November listed increased physical activity through cycling and walking as one of its public health outcomes. In addition the White Paper outlines ring fenced public health budgets for upper tier and unitary authorities. We would encourage transport authority officials to work together with their public health colleagues wherever possible towards this shared goal.

**Should we be involving LEPs? How will you judge this?**

We recognise that LEPs in different areas are at different stages of readiness to actively engage, so there is no absolute requirement. However where a LEP is up and running we would encourage authorities to be actively working with the LEP to deliver a bid.

**How important is engagement with local stakeholder groups, especially given short timescales?**

Bids will be viewed favourably where they demonstrate support of a range of community interests. This means demonstrating an understanding of what is important to local stakeholders, for instance through an ongoing programme of engagement. There is no requirement for a formal consultation process although authorities may have done this as part of LTP engagement.

**Is there a bias towards urban over rural?**

No. There is no bias. Bids will be judged on their own merits, in terms of how successfully they address the transport problems in your area and meet the objectives of the fund.

**LTPs – will you be looking at bids alongside LTPs?**

We will expect there to be synergies between a LSTF bid and your LTP. The LSTF should propose elements in addition to the LTP implementation / delivery plan – we would not fund the same project twice.

**Will some bids be partially funded?**

We envisage funding some bids in full. Others may be judged worthy of funding in part, in which case we will discuss with the transport authority concerned. For tranche 1, we may also feel that some bids have potential but may need more work, in which case we could discuss with you and suggest you reapply for tranche 2. Bids which are not judged to have enough potential will not be funded, nor will those authorities be asked to resubmit.

**What is the margin of change for Expressions of Interest?**

The purpose of the expression of interest for tranche 2 is to give DfT an idea of what to expect (in terms of quantity and cost) in tranche 2, before taking final decisions on tranche 1. We realise that as you develop a tranche 2 bid, circumstances may not stay precisely the same as you indicated in June 2011, and we will not hold you to that. The expressions of interest (sections A and B of the application form) will only provide outline information; therefore we will not be in a position to provide feedback on the potential of the measures proposed. We would encourage you to keep in touch with your regional engager on emerging bids.

**Do we need to mention risks, e.g. governance?**

Yes. The bid is about setting out a clear and convincing case for funding. Identifying risks and setting out mitigation strategies is part of this. Section E3 of the application form asks for risks to be identified.

**Will there be interviews?**

We are not expecting to conduct interviews as part of the assessment process. However we reserve the right to do so. For large bids we are likely to wish to interview short listed bidders.

**Who is on the panel?**

DfT will be seeking the services of a small expert panel to advise on the merits of the bids. The panel will comprise individuals who are expert in the delivery of sustainable transport. The selection process is yet to be completed.

**Will the bid be judged solely on vfm criteria?**

No. The bid will be judged on the assessment criteria as set out in the guidance.

**Will DfT be giving Local Authorities guidance on tendering?**

No, we are not in a position to do this.

**Will past performance as monitored through LTP be taken into account?**

No. Bids will be judged on their own merits. Ministers are keen to spread sustainable travel more widely across the country and fully embed this in local transport delivery.

**Will there be an assessment based on spending against LTP?**

No. Bids will be judged on their own merits.

**Will bids with neighbouring authorities be well received?**

Yes. We realise that the travel to work area does not always follow local authority boundaries.

**Are joint bids and individual bids allowed?**

Yes. Authorities can lead on one individual bid and one joint or thematic bid. An authority can also partner in bids. It is up to you to judge your own capacity to deliver.

**Can we keep the key component of the large bid if we are not successful in winning funding for our large bid?**

Yes. Your key component must be able to stand alone for this reason.

**Could a key component bid cover a geographical area?**

Yes. A key component could comprise a package of measures over a geographical area in the same way a small bid would.

**Could you have a third sector organisation as a delivery partner?**

Yes. In this case the transport authority would be the lead and would receive the funding.

**Do we have to deliver by March 2015?**

Yes. We cannot carry over funding.

**Does the bid need to take into account planning permission and statutory processes?**

Yes. You would need to make clear if elements of your bid were uncertain due to other processes.

**Can a joint bid exceed the £5 million limit?**

Only by going through the large projects process.

**In metropolitan areas, can metropolitan district councils bid as well as the ITA?**

Metropolitan Districts should be allowed to participate in a joint bid led by their ITA, and alone in their own right, where they can show that: i) that the bid is for a small, localised project (that also meets all the other bid criteria); and ii) that the ITA has formally endorsed the bid. It will be possible for both bids to win.

Met District bids are limited to the < £5m category if there is an additional ITA bid. However, Met District Bids will not be allowed if the ITA bid is predominantly related to their district.

**How does DfT want district councils to get ITA endorsement for their bids?**

Bids should be endorsed by senior personnel.

**How many component bids can we put in?**

One key component bid per large bid is allowed.

**How much detail should bids go into?**

This should be proportionate. We have set 20 pages as a guideline limit for small bids and for initial proposals for large bids. We are trying not to make this an onerous process for authorities. Please bear in mind that we are likely to receive many bids and may not be resourced to assess very long bids in detail.

The key will be to set out a convincing story starting with the transport problem in your area, an understanding of what (and who) is causing this, and what measures might be effective in getting these people to change their travel behaviour.

**How would thematic bids work?**

Thematic bids would have one lead authority partnering other authorities who might have similar transport issues, but they would not necessarily be neighbours. This could be co-ordinated by a lead authority or a third sector enterprise.

**Could an Authority bid for a resource in both its solo bid and a joint thematic bid with a third sector enterprise?**

DfT would not fund the same project twice. However, if you consider the project that forms part of your joint bid such a priority that you would want to do it as part of your solo package if the joint bid didn't win, then you would need to make this clear to DfT in your bid, justifying why this is such a priority for you.

**Could an Authority bid for a resource in both its solo bid and a joint bid with neighbouring local authorities?**

DfT would not fund the same project twice. However, if you consider the project that forms part of your joint bid such a priority that you would want to do it as part of your solo package if the joint bid didn't win, then you would need to make this clear to DfT in your bid, justifying why this is such a priority for you.

**If London boroughs are neighbours, would these be eligible for a joint bid?**

A transport authority could work in partnership with a London Borough where these were a neighbouring authority. However, London Boroughs are not eligible for funding and we do not anticipate funds being spent in London Boroughs except in circumstances where the primary beneficiaries lie in the applying transport authority.

**Is the detail of a bid binding?**

We do recognise that circumstances may change across the lifetime of the programme. We would ask that you talk to us if an element of your programme looks likely to change.

**What happens between a Local Authority submitting a bid and the full business case. Would there be more dialogue?**

We don't want this to be a bureaucratic process. We would encourage authorities to keep in touch with your regional engagers



**We have a National Park within our local authority area. Can we submit one conventional bid for our LA and another covering the National Park?**

Yes. Bids relating to National Parks should be led by a local transport authority and delivered in partnership with the National Park Authority.

**What counts as a National Park? Does an AONB count?**

A national park means a National Park Authority. An Area of Outstanding Natural Beauty does not count.

**What type of agreement with bus operators is envisaged for LSTF?**

No agreements have been specified, but bus operators could make use of the bus powers in the Local Transport Act 2008 to secure benefit.

**Can you submit 2 bids in tranche 1?**

If one of these is a sole bid and one of these a joint bid, yes. Not otherwise.

**Can we email queries?**

Please contact your regional engager – relevant details are on the back of the guidance.

**What will evaluation involve?**

We do not wish to make the evaluation process onerous. At the same time it is in our shared interests to determine how effective the fund has been. DfT will be in touch with successful authorities following announcement of tranche 1 to discuss the evaluation process. We are currently considering the process and this is in its early stages given we do not know what bids we will receive (i.e. packages may contain many different measures), nor which of those we will be funding. However it is likely that the framework will put more emphasis on those measures where our evidence base is less developed.

**Can we apply for funding to support evaluation activities as a part of our bid?**

We would discourage authorities from including evaluation as part of their bid at this stage. We will discuss needs with you should you be successful.

## **Funding**

### **What counts as a local contribution?**

The local contribution could include private sector funding, or public funds that are not already committed, including relevant resources from the local authority's formula grant, European funding, funding from a health body, funding received as part of section 106 agreements or other development related funding, Lottery funding, contributions from transport operators, civil society, private sector organisations or other sources. This does need to be funding that has been approved.

Funding in kind (e.g. staff time) would also be acceptable, where this relates to additional capacity required by the authority, e.g. to facilitate, market or co-ordinate the bid. The Fund is not to be used to fund general capacity.

We would not however accept components top-sliced from the LST Fund, for instance Bikeability funding, or any of the transitional funding (e.g. Links to Schools, Bike It etc.)

There is no minimum local contribution – we are aware that some authorities will have greater access to funding (e.g. private sector funding) than others. DfT will look at this as a demonstration of local commitment.

### **Would local funding also count as part of the exit strategy?**

Yes. Where this funding would be sustained beyond 2015, and if the bid could show that the measures would therefore be sustainable beyond this date.

### **What is seen as the capital or revenue component of a bid?**

This is matter for your Finance Department / Chief Finance Officer to advise in accordance with proper financial practice. If there is doubt, your CFO may wish to consult with the District Auditor to ensure the risk of any dispute over the classification of expenditure is minimised.

### **Can we bid for staff resource?**

Yes, where this relates to additional capacity required by the authority, e.g. to facilitate, market or co-ordinate the bid. The Fund is not to be used to fund general capacity.

### **Can we include revenue costs for preparation of capital schemes?**

We would discourage authorities from including preparation or research costs. This fund is about implementing local sustainable transport.

**Do local funding contributions make up an element of or are they in addition to DfT funding?**

They are in addition to DfT funding. The £5 million “small project” limit refers to the DfT contribution.

**Do we lose the funding if it isn’t spent in one year?**

Yes. There will be no carry over.

**Is there any flexibility to share unspent funds with other authorities?**

This will be up to DfT to decide at the time.

**Do we need to set out funding profile in the bid?**

Yes. This is set out in the application form. Authorities may provide additional detail where you think this is relevant.

**Does the revenue / capital split have to reflect the fund split?**

No, but please bear this in mind when submitting your bids. We would discourage capital – heavy bids as this pot is likely to be strongly contested.

**The capital / revenue split may vary from year to year, is this acceptable?**

Yes. We recognise that the distribution of spend may vary from year to year. This should be set out in the funding profile of your bid.

**How will the grant be paid?**

This will be paid quarterly in arrears. For bids successful in tranche 1 and key component bids, we anticipate first payments being made by the first week in November 2011, following your first return at end September 2011.

**What is the relative size of the tranches?**

This has not been determined, and will depend on the quality of tranche 1 bids and the level of interest expressed for tranche 2 in June 2011.

**Is funding ring – fenced?**

Yes, funding should be ring – fenced. You will be expected to declare your spend to DfT in your quarterly returns.

## **Measures**

### **What does interurban mean?**

This means a link between major urban settlements, using the strategic networks. A link between rural communities or small towns would not count as interurban.

### **Are new stations (bus / rail) in scope?**

Yes. Where the station / location of the station are demonstrably part of the solution to the transport problem identified. However bidders are asked to consider the capital / revenue split in the bid. Any capital claim needs to be part of a package of measures.

### **Which bus services are in scope?**

Revenue to support bus services is within scope of the fund, but these will need to be new services with an innovative component. This does not mean that the services have to follow an entirely new route; they may, for example improve links between a residential and an employment area. Services will need to lead to a sustained increase in bus use on a trajectory towards break-even. Use of LSTF to temporarily substitute core funding for socially necessary tendered services is not appropriate.

As with all other measures, bidders would need to demonstrate how these services would address the transport problem in the area, and meet the objectives of the fund. Bidders will also need to show how the service will be self-sustaining after LSTF funding is concluded, for example through growth in patronage and fares revenue.

Capital funding for vehicles can be covered, but bidders would also be encouraged to look at other sources of funding for this.

### **Are Community Services within scope?**

Community bus services are within scope. We in general encourage bids to cover integrated packages of interventions. But we accept that authorities may wish to come forward with a community bus service which does not link geographically to the main package proposals (for instance, it might address access issues in an adjacent [possibly rural] area whilst the remainder of your package is focussed on the town centre). This is acceptable as long as the bidding authority can set both elements within an overarching strategy for their area.

### **Which rail services are within scope?**

Rail services that are specified within a franchise specification are not within scope of the fund. Where a fund measure results in increasing patronage

which justifies additional services and these are not commercially viable, then LSTF revenue funding may be proposed to cover part of the local authority/promoter 3 year revenue funding requirement. However the local authority will still need to fund part of this scheme to demonstrate its commitment and to take some risk to ensure that demand forecasts, etc. are achieved.

**Is subsidising rail fares allowed?**

Rail fares are not within the scope of the fund. Some fares are regulated by DfT and others are at the commercial discretion of the operators.

**What sort of road infrastructure will be covered?**

The LSTF is not the mechanism for funding major road infrastructure. However, small scale localised improvements, where they are part of a sustainable transport package, can be considered within scope.

**Are intelligent transport systems eligible?**

Yes. Where a bid can demonstrate that this is part of the solution to the transport problem in the local authority area.

**Are we interested in leisure cycling as well as utility cycling?**

Leisure cycling is of interest where it can be shown to address the transport problem and meet the aims of the fund.

**Can revenue be used for marketing/ publicity?**

Yes. Marketing and publicity are essential components of a sustainable transport package – if these do not happen, people will not know about the transport measures and large scale uptake will be less likely.

**Can we fund a control centre?**

This would be within scope where it can be shown to address the transport problem in the area and meet the objectives of the fund. Bidders would need to be mindful of the capital / revenue funding split.

**Can we fund electric car charging infrastructure?**

Yes, as long as this component is a reasonable solution to the transport problem in your area and, as part of a package, will meet the objectives of the fund. We will not fund infrastructure that has already been funded through the plugged in places initiative.

**Can we fund e- cars?**

As above - yes, as long as this component is a reasonable solution to the transport problem in your area and, as part of a package, will meet the objectives of the fund. We will not fund vehicles that have already been funded through the Low Carbon Van Public Procurement Programme.

**Where an authority is already implementing sustainable travel measures, could we still bid for funding?**

Yes. You will not be penalised for already doing good work. You will need to show what the problems in addition you want LSTF to address.

**Could we present optional parts of packages in the bid?**

Yes, this would need to be very clear in the bid so that assessors could understand what was being proposed. However, this should not be interpreted as an opportunity to submit more than one bid per authority area.

**Does cycling have to be included in a bid in order for it to be successful?**

No. Bidders will need to consider which measures will address the transport problems in their areas and meet the objectives of the Fund.

**Does DfT have a priority list?**

No – we expect different measures which address different local problems.

**What about measures that do not directly involve transport provision?**

We would welcome initiatives that could reduce congestion and / or lower carbon levels through behaviour change. For example, we would be interested in ideas such as encouraging staggering hours (businesses and / or schools) as a way of managing demand on the network, or more conventional alternatives to travel using IT advances to reduce the needs to travel to or for work such as video conferencing or tele-working.

**Is demand responsive transport eligible? Is pier / quay infrastructure allowed? Is Park & Ride in scope?**

Yes. If this is a reasonable solution to the transport problem in your area and will meet the objectives of the fund.

**Is public realm appropriate for the fund?**

Where this goes hand in hand with a sustainable transport solution, e.g. shared space, pedestrianisation, improved access by walking and cycling,

area wide parking strategy etc. And if this is a reasonable solution to the transport problem in your area and will meet the objectives of the fund.

**How do we continue funding for a cycling demonstration town?**

You would need to apply for funding under the LSTF.

**If one element of a bid is not ultimately deliverable, could you substitute?**

We recognise that implementation does not always go to plan. If one element of a bid is looking unlikely, you would need to come and talk to DfT.