

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

DATE: 26 SEPTEMBER 2008

AGENDA ITEM NO: **16**

SUBJECT: TRANSPORT INNOVATION FUND (TIF)

Report of the Passenger Transport Executive

1. MATTER FOR CONSIDERATION

- 1.1. This report seeks approval for expenditure on the development of a potential Transport Innovation Fund (TIF) bid.

2. INFORMATION

Background

- 2.1. A report was submitted to the Local Transport Plan Steering Group meeting on 18 September 2008. This outlined the approach to demand management contained within the second West Yorkshire Local Transport Plan and the successful bid for 'pump priming' funding made by Metro and Leeds City Council.
- 2.2. The Department for Transport (DfT) has awarded Metro and Leeds City Council funding of £2.3m to undertake the analysis and scheme development that is required for a potential future TIF bid.
- 2.3. The Transport Innovation Fund (TIF) is the government's major source of new funding for substantial transport projects and will be worth up to £2.5bn per year by 2015. Within the TIF fund there is specific funding for TIF 'congestion' which is available to authorities who bring forward innovative packages of measures to tackle the most serious congestion problems. Within any overall package of investment there must also be stronger demand management elements such as road charging, but demand management is only one part of the overall package of investment.
- 2.4. In order to evaluate the potential for a TIF congestion package, substantial up-front funding is required to develop the transport modelling and business cases required. The Department for Transport (DfT) has therefore made available 'pump priming' funding for authorities to undertake this development work.

- 2.5 A previous TIF 'pump-priming' submission prepared by the Leeds City Region Partnership and Metro in 2006 was rejected by the DfT. On advice from the DfT, further development work has focused on the Leeds Urban Area. Although the focus has been on the Leeds area, clearly the impact (particularly in terms of the public transport investment that is likely to form part of any package) will be much wider across the journey to work area.
- 2.6 The work carried out to date indicates that even if the current levels of Local Transport Plan funding are continued for the foreseeable future and bids through the Regional Funding Allocation are carried through to implementation, the majority of the key routes into Leeds will remain congested. Accordingly, there is a risk that economic growth will be suppressed unless more significant transport investment is secured.
- 2.7 Engaging with the TIF process will allow options for a future transport strategy for Leeds to be explored and evaluated, and will allow for a wider debate on the role (if any) that demand management measures, including road charging, may play in any future strategy. It will mean that by 2010 Leeds could be in a position to make a bid for substantial funding towards upgrading the transport network under the current TIF arrangements.
- 2.8 The pump-priming bid only commits the partners to investigating what interventions could form part of a future transport package to address congestion and support the future economic growth of the city and the wider city region. Any decision on the role of a charging scheme as part of such a package would come out of this research and any recommendations arising from these investigations.

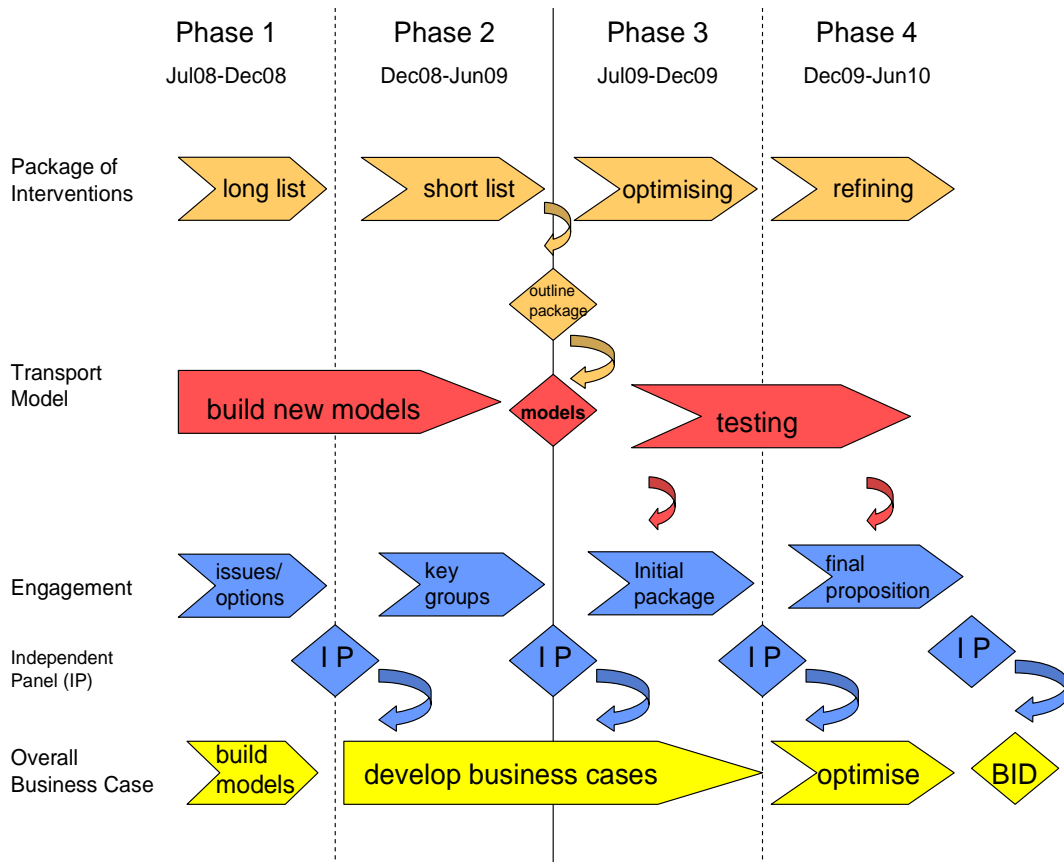
Objectives and Tests

- 2.9 The proposed objectives for any future package of transport measures are to:
- facilitate employment growth by unlocking constraints in the labour market (it is envisaged that specific growth targets will be developed in the early stage of the scheme design);
 - deliver connectivity, accessibility and sustainability objectives in a consistent manner in the context of the wider Leeds City Region Development Plan and Northern Way policy frameworks, particularly taking account of the anticipated housing growth;
 - maintain and enhance accessibility to central Leeds from the rest of the city region;
 - achieve a high quality integrated safe and sustainable transport system;

- reduce air quality impacts and CO₂ emissions associated with the transport in Leeds;
 - achieve a better balance of demand across transport modes; and;
 - increase the opportunities for investment for transport improvements across all modes.
- 2.10 These objectives will be refined through stakeholder engagement. Several key 'gateway' tests have also been developed. Any package of measures will be subject to these gateway tests at a least four key stages of scheme development and be tested with stakeholders and a proposed Independent Panel. It is expected that the panel will be made up from a cross section of sectors including business, academia and transport professionals. Any subsequent funding bid to government will have to satisfy all the gateway tests.
- 2.11 The development of a package of transport interventions will draw on a range of potential solutions that could be applied including walking and cycling options for short distance trips, bus improvements, rail improvements including tram and tram-train options, optimising existing road space and providing additional highway capacity where appropriate.
- 2.12 The demand management element of the measures will involve consideration of the different options available. These will include area based charging as implemented in central London, cordon charging where drivers are charged each time they cross a set cordon (similar to the proposals in Manchester), a workplace parking levy (where employers are charged for their private parking spaces as currently being promoted by Nottingham) and toll roads.

Work Programme

- 2.13 The work programme has been designed to carry out the necessary work to allow the submission of a full TIF proposition within two years, if the partners subsequently decide it is appropriate to submit a bid. In broad terms the programme has been divided into four 6 months blocks as shown on the next page. Each block will have a distinctive focus and involve stakeholder consultation finishing with a report by the Independent Panel. This will act as a check on overall progress against the objectives and tests.



Stakeholder Engagement Strategy

2.14 A stakeholder engagement strategy has been developed to ensure widespread awareness and buy in together with full involvement of stakeholders throughout the process. A variety of engagement mechanisms are proposed including meetings with elected members, face to face meetings with other stakeholders, road shows, internet blogs, radio interviews and debates, public meetings, newsletters and telephone surveys. The strategy will include specific engagement with PTA Members, PCC Members and Metro staff.

2.15 A two year programme of work is envisaged, starting in October 2008. Four separate stages have been identified and these are summarised below:

- Stage 1: Initial data collection exercise to identify the problems, plus an initial engagement exercise (involving the public and businesses).
- Stage 2: option review to obtain initial feedback to gain acceptability on emerging proposals.
- Stage 3: Initial consultation on the proposed package of measures, with a series of events planned to endorse these recommendations.

- Stage 4: preparation of the final business case and ‘sign-off’ of the TIF package.

2.16 The ‘pump priming’ work is being overseen by Metro and Leeds City Council and appropriate governance arrangements have been put in place including a Project Board and a Transport Strategy Group (which will include politicians from Leeds City Council and the Chair of the PTA).

3. FINANCIAL AND LEGAL IMPLICATIONS

3.1. The overall cost of the pump-priming work is estimated to be £4.605m. DfT has agreed to fund 50% of the cost with the remainder split between Metro, Leeds City Council and Yorkshire Forward. Match funding is a condition of the DfT grant.

3.2. The overall Metro contribution is expected to be £690,750. The contribution will be over two years and made up from a combination of existing staff time, additional staff resources dedicated to the project and a contribution from Metro’s share of the LTP allocation.

3.3. Metro is acting as ‘banker’ for the project and approval is therefore sought for the full planned expenditure of £4.605m. The make-up of the funding contributions is shown below:

Funder	Contribution (£)
DfT	2,302,500
Yorkshire Forward	921,000
Leeds City Council	690,750
Metro	690,750
Total	4,605,000

3.4. In terms of Metro’s share, the estimated LTP contribution is £387,450 (the balance being made of existing staff time and other contributions). Approval is therefore sought to contribute £387,450 from Metro’s share of the Local Transport Plan allocation.

4. STAFFING IMPLICATIONS

4.1. The development of the TIF bid will involve Metro and Leeds City Council making available appropriate staff resources. This will include some additional resources specific to the TIF project.

5. EQUAL OPPORTUNITY IMPLICATIONS

5.1. None as a result of this report.

6. RECOMMENDATIONS

6.1. That the award of DfT funding and work programme for the development of a potential TIF scheme are noted.

6.2. That overall expenditure set out in section 3 of the report is approved.

**Director General
West Yorkshire Passenger Transport Executive**