

WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

LOCAL TRANSPORT PLAN STEERING GROUP

DATE: 14 JUNE 2010

AGENDA ITEM NO: 9

SUBJECT: URBAN CHALLENGE FUND – CONSULTATION SUBMISSION

Report of the West Yorkshire LTP Partnership

1. MATTER FOR CONSIDERATION

- 1.1 To report on the submission by the West Yorkshire LTP Partnership to the Department of Transport consultation about a proposed Urban Challenge Fund.

2. INFORMATION

- 2.1 At its previous meeting the Steering Group considered the proposed Urban Challenge Fund (UCF), and considered a consultation paper issued by the Department for Transport.
- 2.2 The Steering Group agreed to develop a joint West Yorkshire response to the consultation paper, and subject to authorisation by the Chair of the Steering Group, submit it by the 4 June deadline.
- 2.3 The consultation response submitted is attached to this report as Appendix A.
- 2.4 The response makes detailed comment on individual components of the discussion paper and concludes with a number of main points and the critical issues:
 - The size of the UCF should be enhanced by allocating funds from non-transport budgets where evidence exists to demonstrate tangible benefits outside transport. In particular this includes accessing funds from the Health and Regeneration budgets;
 - The UCF should be focused at investment in the large Metropolitan areas, as this is where transport investment can be most effective and efficient in delivering low-carbon economic growth;
 - The allocation of UCF funds should take account of, and build on, the extensive work (and conclusions reached) that has been carried out in the TIF studies and the DaSTS studies;
 - The use of the UCF should allow flexibility of spending between capital and revenue based schemes.

2.5 Members will be kept informed if any changes are proposed to the scope or introduction of the Fund as a result of the new Government now being in place.

3. FINANCIAL AND EC PROCUREMENT IMPLICATIONS

3.1 None as a direct result of this report.

4. STAFFING IMPLICATIONS

4.1 None as a direct result of this report.

5. EQUAL OPPORTUNITY IMPLICATIONS

5.1 None as direct result of this report.

6. RECOMMENDATIONS

6.1 Members are asked to note the report.

West Yorkshire LTP Partnership
June 2010



**COUNCILLOR CHRIS GREAVES
CHAIR OF WEST YORKSHIRE LTP
STEERING GROUP**

19 May 2010

TELEPHONE: LEEDS (0113) 251 7434

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Our Ref: CG/SN/DEV216/PR

Dear Mr Barrett

DISCUSSION PAPER ON PLANS FOR AN URBAN CHALLENGE FUND

Please find attached comments on the Urban Challenge Fund Discussion Paper from the West Yorkshire LTP Steering Group.

The West Yorkshire LTP Partnership/Leeds City Region would welcome early discussions with DfT before the Guidance is finalised to help shape the thinking and to bring forward lessons from the TIF work.

If you would like clarification or further discussion on any of the issues raised, please contact Paul Roberts on 0113 251 7255 or paul.roberts@wypte.gov.uk.

Yours sincerely

A handwritten signature in black ink that reads 'Chris Greaves'.

**Councillor Chris Greaves
Chair of West Yorkshire LTP Steering Group**

Enc

Response to the DfT Discussion Paper on plans for an Urban Challenge Fund (UCF)

Comments from West Yorkshire LTP Partnership – 21 May 2010

A Ministerial announcement to launch the Fund was made on 2 March 2010. The DfT also issued a discussion paper on the Fund, inviting comments on the proposals and issues raised in the discussion paper.

The West Yorkshire LTP Steering Group (Metro, and the District Councils of Bradford, Calderdale, Kirklees, Leeds and Wakefield) have compiled this joint response which reflects the joint views of the partners.

The comments relate to the specific paragraphs in the discussion paper followed by more general issues.

Paragraph	Comment
1	<p>The WY LTP Partnership were pleased to be able to meet with the Prime Ministers’ Strategy Unit and inform the conclusions set out in their report the Future of Urban Transport, and are pleased to see many of the conclusions from that report form the basis of the UCF criteria, including</p> <ul style="list-style-type: none"> • Enabling mobility by promoting a wider choice of journey mode • Reducing congestion and increasing reliability, while promoting greater levels of cycling and walking • Assisting in street space becoming more enjoyable places to be, where exposure to harmful emissions is reduced, and quality of life is transformed <p>However, the discussion paper overlooks a number of important areas where transport provision in urban areas has an important impact on wider policy areas, or the key constraint affecting mode choice. In short these are:</p> <ul style="list-style-type: none"> • The problems that expensive or inaccessible transport can have on excluding groups within society from accessing employment, health care or other activities. The discussion paper overlooks the issues raised by the Social Exclusion Unit some years ago. These issues still exist, particularly in inner city areas, or edge of town housing estates, with low average incomes or high unemployment levels. • The discussion paper does not recognise the difficulties faced by many disabled people in accessing the transport system • The high cost of bus fares and the difficulties of delivering fare reductions, integrated ticketing and an integrated public transport network. • How transport investment can stimulate confidence to accelerate jobs growth post-recession. • Uninformed mode choices often based on misperceptions is leading to inefficiencies in the use of the transport network. There is a perception for many car users, that public transport can be unsafe, unreliable and therefore is not an option is leading to over reliance on private cars. • The discussion paper does not reflect the Cabinet Office report on

	<p>Health and Quality of Life. Changes in this area can be a key output from transport investment and changes to the way transport is offered and delivered.</p>
2	<p>In short it is helpful to summarise how transport can deliver/hinder the three main types of impact: economy, health and environmental improvements. It would be helpful to identify the components of each of these types of impact.</p> <p>For instance, environmental impacts are not just about air quality or emissions, but about streetscape, quality of infrastructure and services, and the ‘perception’ and pride that residents have in their city. Evidence on the wider benefits of improving the quality of streetscape, such as greater investor confidence, increased retail activity or the quality of place improvements which can result in well designed and integrated transport infrastructure and services, can not be reliably quantified.</p> <p>The economy strand is not just about congestion, but also about inclusion, expanding the workforce pool and creating positive future looking cities which are better placed to attract new investment and jobs. Having the tool to provide evidence to show the link between improved transport links, reduced generalised costs, and job creation, will be an essential part of the bid and subsequent work.</p>
3	<p>We would anticipate that the final guidance would reflect the Forerunner Pilot Status of the Leeds City Region (LCR) in being able to apply greater flexibilities (supported by appropriate governance) in allocating non-transport funds to transport where it can deliver evidence based support for the wider objectives identified.</p> <p>There is a crucial role for evidence, to justify spending from non-transport budgets on transport schemes/policies. The availability of robust evidence will be essential in appraising bids to the fund. The Leeds TIF work, and subsequent LCR DaSTS Connectivity Study, had a strong focus on developing the methodology and tools to establish strong evidence based links between transport investment and the creation of jobs and carbon impacts.</p>
4	<p>We welcome the move away from a single, congestion based focus, predicated on road pricing (which underpinned TIF). This will allow a more integrated transport plan to be identified, supporting a wider range of city, Metropolitan county and city region aspirations across a broader range of policy areas.</p> <p>Several Authorities, including Metro/Leeds have been working on TIF pump-priming bids which have provided a good basis for moving forward with the UCF approach. The work carried out to date needs to be expanded and built upon within UCF. For example it would be sensible to build on data and appraisal tools already assembled (for TIF and DaSTS) in West Yorkshire in taking forward UCF work.</p>
5	<p>We are concerned that the Department may place too much emphasis on lessons learnt from the Sustainable Travel Towns initiative. Transport issues</p>

	<p>and opportunities in small towns (such as Darlington) are not comparable with issues in major cities (like Leeds or Bradford) and we are concerned that the evaluation evidence is not robust enough. Moreover in polycentric conurbations, such as West Yorkshire, longer distance cross-boundary travel is the more common, and lessons learnt from single (smaller) centre travel initiatives are not directly relevant. There is a concern that any bid which does not include a high level of these types of sustainable travel town initiatives would not score favourably and lead to larger cities being disadvantaged in the bidding process.</p>
6	<p>We acknowledge that local powers for road pricing and greater control over bus services (through Quality Contracts for example) could be useful strands in delivering improved transport opportunities. The bidding process and bid evaluation processes should be flexible enough to accommodate bids from individual towns/cities as well as conurbations such as West Yorkshire and the Leeds City Region.</p>
7	<p>The important emphasis on strong governance and local leadership is acknowledged, but could result in single Authority bids being more successful in the bidding evaluation. The bidding process should be flexible enough to accommodate bids from individual towns/cities as well as conurbations such as West Yorkshire and the Leeds City Region.</p>
8	<p>Trying to incorporate the UCF approach in the third LTPs will be challenging given the timescales. No decision of the scale of funding in the UCF will be made until after the Comprehensive Spending Review. LTPs are currently being developed, and while it would be sensible to ensure the UCF approach builds on the LTP, the LTPs will be developed independently of the potential UCF opportunities.</p>
9	<p>The benefits of the UCF are succinctly stated, but within ‘wider choices for journeys’ reference should also be made to ‘affordable choices’. In our work for Leeds TIF, the cost of public transport (particularly buses) was seen as far too high, particularly for low income, inner city residents.</p> <p>The aim of the fund should also include creating cities where improved connectivity can support economic activity through greater confidence for business investment, housing investment and retail activity.</p>
10	<p>We welcome the suggestion that land use policy must be an integral part of any bid to the UCF. The Leeds TIF work and the LCR DaSTS Connectivity Study have developed strategic land use and transport interaction models to inform this process.</p> <p>One key issue is the inconsistency between housing and jobs forecasts in TEMPRO 6.1. Housing is predicted to grow significantly in the Leeds City Region between 2006 and 2026 (by 22%), while jobs are predicted to grow by only 6%. This is an unsustainable and unrealistic position. This issue needs early resolution between DfT and DCLG.</p>
11	<p>We agree that multi Authority bids will need strong and robust decision making arrangements.</p>

	<p>The bidding process should be flexible enough to accommodate bids from individual towns/cities as well as conurbations such as West Yorkshire and the Leeds City Region.</p> <p>We would like to see a greater focus on City Region approaches and solutions in the UCF. That is not to say smaller centres are not important, but the scale of issues they face, and the impact they have on economic growth (and delivering that in a low carbon way) is of a lesser magnitude than in the City Regions.</p> <p>Special ring fenced funding arrangements for UCF should be made for City Region Pilot Forerunner areas such as Leeds and Manchester City Regions to stimulate further growth.</p>
<p>12</p>	<p>It would appear sensible to incorporate the aims of the Congestion Performance fund (CPF) within the UCF. However, for unsuccessful UCF bidders, the CPF will need to be replaced to continue the targeted work already in hand.</p>
<p>13</p>	<p>We agree with the inclusion of these example types of measures including</p> <ul style="list-style-type: none"> • Sustainable travel • Encouraging modal shift • Demand management • Traffic management <p>However, there is a concern that if the UCF is capital funding it will work against the delivery of revenue based initiatives such as smarter choices and bus fare reductions.</p> <p>The Leeds TIF work also identified the need for selected highway capacity (particularly of an orbital nature) to cater for rerouting of traffic away from urban centres and other sensitive areas. This would open up housing and employment development sites, and recognises that employment destinations are not solely focused in city centres.</p> <p>For example, in Leeds around 25% of jobs are located in the city centre, 25% are located in a rim (within 1-2 km of the city centre), while around 50% are dispersed across the District. Access to these areas (for commuters and businesses) will continue to rely on highway access. It is therefore important that the final guidance recognises the importance of additional selected highway capacity.</p>
<p>14</p>	<p>The full integration of transport investment with wider policies and objectives is welcomed. This follows the approach adopted in the Leeds TIF work. Leeds, and many other cities, has identified social inclusion and spreading the benefits of economic growth to all residents as a key objective in their Community Strategies. This should be reflected in the Discussion Paper.</p>
<p>15</p>	<p>There is a concern that small scale schemes may score better in the</p>

	<p>evaluation. This might be appropriate if the Fund is a demonstration pilot, but not if the Fund aims to deliver meaningful change at cross District levels, for example at the West Yorkshire or Leeds City Region level.</p> <p>The evaluation of bids, must take note of available evidence of impact, not just transport and traffic impacts, but also the wider impacts of transport investment on the economy, health and the environment.</p>
16	<p>There has been no announcement on the scale of funding available through the Fund.</p> <p>It would be more effective if the Fund is created from top-slicing a range of cross sector budgets for Transport, Housing, Economic Development and Health. This would also require robust evidence to be provided to show the links between transport investment and these policy areas. Furthermore it would raise the profile of improving connectivity and establish the links between transport and wider policy impacts across these Departments.</p> <p>In particular access to Department of Health funds could assist in the delivery of transport interventions which result in greater physical activity (cycling and walking – including using those modes to access to public transport) with all the associated health benefits. Transport schemes which reduce emissions from road vehicles (such as reduced car traffic) also contribute directly to improving the health of local residents.</p> <p>This would demonstrate the Government’s commitment to an understanding that appropriate transport investment can deliver wider benefits. Clearly we have seen in the LCR that housing growth targets cannot be delivered without transport investment. The Social Exclusion Report identified the benefits of better, more affordable connections, could have in enabling job take up and improving health.</p> <p>The final guidance for the UCF should set out clear and transparent requirements on the structure of the bid, how the bids will be appraised, a clear timetable for the decision timetable and the appraisal should be outcome focused.</p>
17	<p>Clearly value for money must be a pre-requisite for funding new schemes, as effective use of limited resources is particularly relevant at the current time. We would welcome early dialogue with the Department to demonstrate that the tools and evidence developed for the Leeds TIF and LCR DaSTS Connectivity Study give a good level of evidence required to substantiate need and impact.</p> <p>If the desire is to move quickly to Plan identification and delivery, there is a need to build on previous work already done in the Leeds City Region. While lessons learnt nationally can be applied, those TIF authorities who have collected up to date travel information and undertaken consultation, will be in a better position to access the Fund.</p> <p>The Leeds City Region would welcome early discussions with DfT before the</p>

	Guidance is finalised to help shape the thinking and to bring forward lessons from the TIF work. The City Region should be ring fenced for UCF funding as part of its City Region Forerunner Pilot Status.
General 1	The idea of top-slicing DfT funds to create the Urban Challenge Fund would not result in new money being available for transport. At the same time it is expected that benefits from the transport investment will include those wider policy areas beyond transport. While this is a desirable aspiration, clear commitment to the concept by Government, in creating a Fund from top slicing other budgets would be more realistic and effective.
General 2	The Leeds TIF work, and the LCR DaSTS Connectivity Study has developed very useful evidence, and assembled data and models which could be used quickly and effectively to develop a costed strategy capable of delivering the objectives set out the discussion paper. Tools have been established to quantify the impacts of transport investment on job creation, housing growth and carbon outputs from transport. This places the WY and LCR in a good position to develop an investment package under UCF quickly.
General 3	We would like to see a greater focus on the UCF being available at a City Region level. That is not to say smaller centres are not important, but the scale of issues they face, and the impact they have on economic growth (and delivering that in a low carbon way) is of a lesser magnitude than in the City Regions. As noted in the Eddington Report, investment at the City Region level would deliver far greater impact per £ invested.
General 4	The rules for the use of the Fund should allow for the flexible allocation between revenue and capital based schemes, at the discretion of the successful applicant.

Appendix 1

SUPPORTING CITIES: A DISCUSSION PAPER ON PLANS FOR AN URBAN CHALLENGE FUND

The purpose of this discussion paper is to encourage debate on the issues around the future transport needs of our cities and urban communities and to invite comments on the plans for a new Urban Challenge Fund.

Background

1. The PMSU report on urban transport identified a range of transport challenges faced by our cities. It assessed the impacts of transport on the urban economy, health and environment and estimated the measurable annual costs of these impacts in terms of:
 - congestion in excess delays (£12.0 billion)
 - road accidents (£9.3 billion)
 - poor air quality in particulate pollution (£4.5 to 10.6 billion)
 - physical inactivity and the growing level of obesity (10.8 billion)
 - greenhouse gas emissions (£1.2 to 3.7 billion)
 - noise (£2.7 billion)
2. The evidence from the PMSU report is that implementation of action to address the challenges in urban areas can be significantly improved. It also shows that initiatives geared to tackling the various challenges simultaneously would better achieve economic, health and environmental improvements. The challenge posed by the PMSU report is to find ways of delivering these “triple win” outcomes.
3. The Government has pursued a number of policies and initiatives, identified in the PMSU report, to help address the challenges faced by cities. Cities and local authorities have been given greater flexibility and freedoms to determine what is right for their areas, including decisions on how to allocate available funding to meet their own priorities.
4. The Transport Innovation Fund was established to support local authorities that wanted to tackle the problems of congestion in their areas through a combination of public transport improvements and congestion charging. Work by a number of authorities showed that a combination of measures was necessary to tackle the problem of congestion and could deliver wider benefits to local communities, the urban economy and environment. TIF also encouraged new thinking in a number of areas, for example on a phased and incremental approach to demand management. Its weaknesses lay in its too narrow a focus on the issue of congestion, the failure to win public acceptance for the more challenging proposals and inability to transform governance at the same time as delivering radical change. The key lessons from TIF are that building acceptance for the more challenging proposals involves recognising the importance of wider economic, social and environmental objectives, having a clear vision and planned step-by-step approach to delivering change and strengthening partnership working between the Department and cities.

5. The Sustainable Travel Towns initiative has seen the development of town-wide packages of measures such as travel planning and schemes that support car sharing, walking and cycling, improved public transport and better marketing. The cumulative effect across the demonstration towns has been a 7% to 9% reduction in car trips between 2004 and 2009; an increase of at least 12 % in walking and cycling; and an increase in bus use of as much as 35% in one town over the same period. The Cycling Demonstration Towns initiative has also had a significant impact with a 27% increase in cycling and 10% reduction in the number of people classified as inactive. These initiatives have shown that relatively inexpensive solutions can deliver real change.
6. In addition to these urban-based initiatives, the Government has provided powers to bring about more effective leadership and delivery through improved decision-making arrangements. The Local Transport Act 2008 has given local authorities powers to work with operators to improve local bus services and to enable local road charging schemes to be brought forward in ways that best meet local needs. The Act has also given cities outside London the freedom to propose changes to their governance to improve leadership. The selection of Leeds and Manchester as pilot City Regions is providing the impetus for substantial reforms of their transport governance.

Fund Objectives

7. The Government considers that a new Urban Challenge Fund will provide forward looking cities and authorities with an additional incentive to deliver the “triple win” outcomes. The Fund, which will draw on the lessons from TIF, the Sustainable Travel Towns and Cycling Demonstration Towns initiatives and the pilot City Regions, will help urban areas to maximise their role as an engine of the national economy, to improve the environment and health of their residents and secure best returns from transport investment. To be eligible, authorities would need to offer clear strategies that incorporate ambitious targets for a wider range of outcomes than just congestion, together with the local leadership and tight governance needed to make this a reality.
8. These strategies will build on the strategies and implementation plans now being developed for the next round of Local Transport Plans due in April 2011. The new Fund will be designed to realise a step change in the delivery of improvements over and above that identified in LTPs.
9. The underlying aim of the new Fund is to deliver clear benefits in terms of:
 - enhanced mobility through offering people wider choices for their journeys;
 - reduced congestion and increased journey time reliability;
 - better health as a result of improved safety and much greater levels of walking and cycling;
 - streets and public spaces which are enjoyable places to be, where exposure to harmful emissions is reduced and where quality of life is transformed
 - improved safety; and
 - reduced level of carbon emission from transport.

These benefits should be consistent with ambitions identified in emerging LTP strategies, but the Fund will allow much faster progress for high quality proposals.

10. The Fund will support packages of measures designed to deliver all of the above benefits. A delivery strategy should include a combination of sustainable travel measures, investment to encourage modal shift and better bus services alongside demand management measures, better and city-wide traffic management and improved street design. The package of measures will need to be mutually supporting and demonstrate that their implementation will deliver the economic, health and environmental outcomes set out in city strategies. Cities will also need to show how their transport and land use planning policies are fully integrated and aligned and how the scope for reducing the need to travel and promoting sustainable choices will be optimised through locational decisions on new housing and employment sites.
11. The Government expects cities and authorities seeking access to the fund to put in place stronger decision-making and delivery arrangements across boundaries and in relation to highways, demand management, traffic management and public transport measures. Robust and streamlined decision-making arrangements that enable cities to tackle complex and difficult issues in a timely and transparent way, and improved efficiency, will be vital to achieving a step change in delivery.
12. The Government will be considering the future of the current congestion performance fund and targets with a view to ensuring there is an integrated approach to addressing all of the challenges in urban areas.

What measures will the Fund support?

13. The Fund will not prescribe the measures to be included in a package of proposals covering cities or urban areas but it is expected to include challenging measures covering:
 - **Sustainable Travel**

This could include the promotion of walking and cycling (whether through programmes aimed at for example physically inactive groups, improvements in street design or the provision of facilities or training), work based and school travel plans, car clubs/sharing schemes and travel awareness campaigns
 - **Encouraging modal shift**

This could include consideration of improvements to local bus markets, e.g. statutory quality partnerships and quality contracts, alongside increased investment in public transport, including for better information, smartcard ticketing and personalised travel planning.
 - **Demand Management**

Measures to reduce the volume of traffic and the levels of air pollution caused by urban transport could range from reducing the availability /increasing the price of city centre local authority parking through to park and ride, development of freight consolidation centres, tougher residents

parking permit regimes, low emission zones, workplace parking levy or road pricing

- **Traffic Management**

This could cover improving information about journey times and routes, more efficient signal times, junction improvements designating red routes, reallocating road space from cars to sustainable modes (e.g. cycle lanes, quality bus corridors), no vehicle zones, and better management of street works and incidents.

The scale of the investment would be proportionate to the impacts from the full range of measures set out above.

14. These transport measures should be fully integrated into the wider policies and objectives for the city, and supported by other measures, for example on land use planning.

How might the new Fund work?

15. The Government envisages that local transport authorities which include cities or urban areas will be initially invited to put forward proposals on their strategies for meeting the objectives of the Fund. The proposals should be consistent with the developing strategy for the Local Transport Plan, but enable accelerated and enhanced delivery of its benefits. The proposals might, if the submitting authority so decided, cover only a part of an area covered by the authority's LTP, or joint proposals might be made to cover a wider area. The proposals will be considered against a published set of criteria, which may include:

- how challenging the proposed outcomes and targets are
- the extent to which the package comprises a mutually supporting complementary set of measures, which form an effective way of delivering the outcomes and offer value for money
- how far there is a realistic delivery plan for implementing the package – the authorities may propose an incremental approach linked to intermediate outcomes and targets
- the prospects for leveraging in funds and support from external sources, e.g. developers, Primary Care Trusts
- how credible the proposed decision-making and delivery arrangements are, including impacts on efficiency
- how far the proposals are integrated with the wider policies for the city.

16. Funding for the Urban Challenge Fund will be top-sliced from the Department's overall funding allocation following conclusion of the next Comprehensive Spending review. The intention is to use the criteria to sift the proposals and identify the most promising packages, which would be developed into full business cases and detailed delivery plans. The Department will expect authorities to draw on the transport modelling and analytical tools developed through the TIF work, studies being carried out as part of the *Delivering a Sustainable Transport System* programme and other transport and related studies in developing proposals.

17. The Government will need to be satisfied that the package and the major individual components are likely to represent value for money before agreeing to work in partnership with cities and authorities on a programme of work and fund the investment identified.

Comments on this paper are requested by 4 June and can be sent to:

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or

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**Department for Transport
March 2010**