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Late Item for 16th July 2008 Executive Board meeting

Transport Innovation Fund Pump Priming Bid

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Democratic Services

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To: Members of the Executive Board

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Our Ref: A61/ISW
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15th July 2008

Dear Councillor

EXECUTIVE BOARD – 16TH JULY 2008 – LATE ITEM

The Chair has admitted a further late item to the meeting to be held on Wednesday. The report, which is on the subject of the Transport Innovation Fund Pump Priming Bid is attached to this letter and I would be grateful if you could include it with your papers for the meeting.

The report could not be prepared for distribution with the agenda pending advice that government would support the bid and, as the two year programme of work is scheduled to commence this month, the Chair has agreed to admission as a late item to the agenda.

Yours sincerely

Ian Walton
Principal Governance Officer

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Report of the Director of City Development

Executive Board

Date: 16 July 2008

Subject: Transport Innovation Fund Pump Priming Bid

Electoral Wards Affected:

All

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

1.0 BACKGROUND INFORMATION

- 1.1 A previous TIF Pathfinder submission prepared by the Leeds City Region Partnership and Metro in 2006 was rejected by the Department for Transport. On advice from the DfT, officers from Leeds City Council and Metro have since been engaged in development work with support from Yorkshire Forward to consider the longer term implications of transport problems facing Leeds. 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.
- 1.2 Earlier this year the Council and Metro made a joint bid for funding under the government's TIF pump-priming round to support work on developing a future transport strategy for Leeds leading to a potential bid in 2010 for full TIF funding. Officers have been advised that the Government will announce today their decision to support the Leeds TIF Pump Priming Bid.
- 1.3 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. The TIF Fund is predicted to grow from £290m in 2008/09 to just over £2.5bn per annum by 2014/15.

- 1.4 The work will be taken forward in partnership with Metro and is supported by Yorkshire Forward. The overall cost of the development work through to a TIF business case is estimated at £4.6m with 50% government support.
- 1.5 The pump-priming bid only commits Leeds 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.

2.0 Main Issues

Objectives of Future Transport Package of Interventions

- 2.1 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 compared with 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.
- 2.2 These objectives represent emerging ideas, since it is recognised further work is needed to engage with stakeholders and agree a set of common objectives. Significant journey time improvements experienced during school holiday periods allow a much more efficient and sustainable use of road space. Broadly reducing traffic levels in the morning peak to those levels experienced in the school holidays (10% reduction in traffic volume) acts as a useful benchmark for achieving some of these objectives.
- 2.3 In summary, the main aim of the objectives is to ensure the future prosperity and growth of the City.

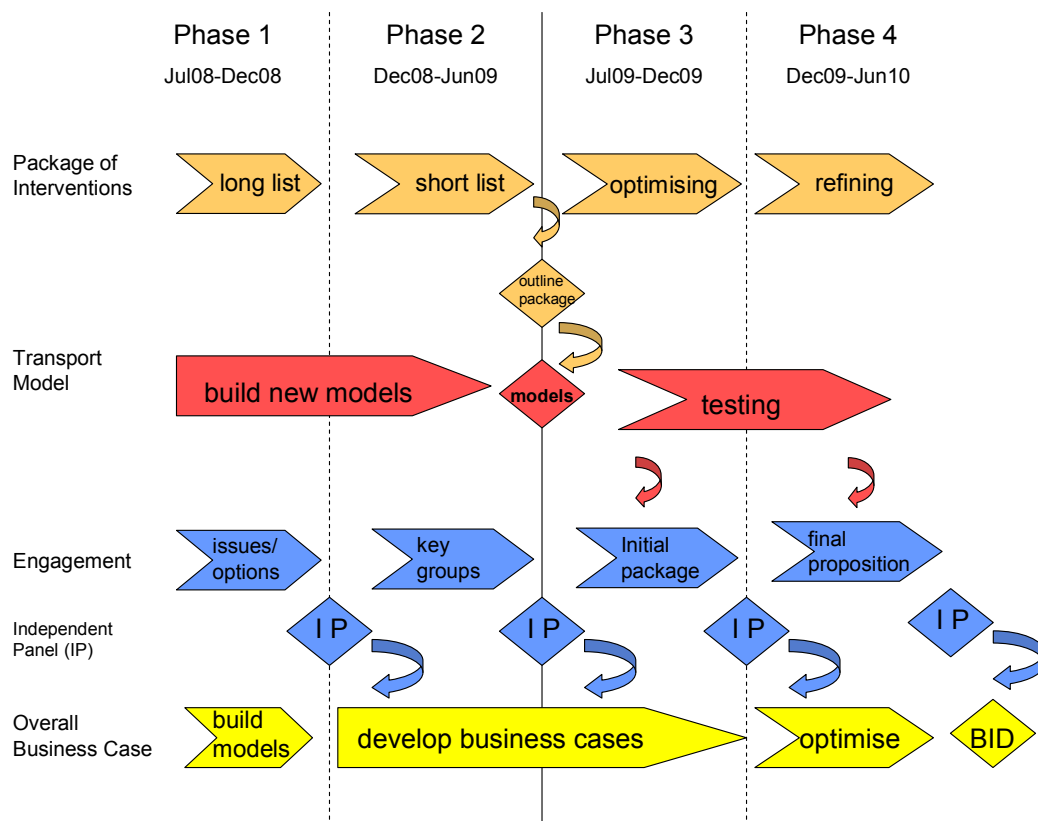
Tests that any package of Transport Interventions should satisfy

- 2.4 Any future transport package of measures for Leeds will need to satisfy several key **gateway** tests prior to its introduction. Although these would be subject to further consultation, there are a number of key requirements. The package must:

- address the most pressing current and future congestion problems;
 - have a substantially positive overall economic impact and there must be no overall adverse impact on city centre retailers and businesses;
 - have stakeholder support from both Leeds' businesses and residents;
 - be able to deliver a substantial package of transport improvements alongside any charging scheme;
 - allow for sufficient transport improvements to be implemented in advance of any road charging (the level of improvements to be implemented in advance will be defined through the financial and economic modelling);
 - allow for any additional revenue generated by the scheme to be re-invested in further transport improvements;
 - minimise (and include appropriate mitigating measures) any adverse social and distributional impacts;
- 2.5 Any package of measures will be subject to these gateway tests at 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 experts. Any subsequent funding bid to government will have to satisfy all the gateway tests.
- 2.6 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.
- 2.7 The demand management element of the measures will involve consideration of the different intervention options available to local authorities. These will include area based charging as implemented in central London, cordon charging where drivers are charged each time they cross a set cordon, a workplace parking levy, where employers are charged for their private parking spaces as currently being promoted by Nottingham Council and toll roads

Work Programme

- 2.8 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 City Council subsequently decides it is appropriate to submit a bid. Approval is not currently being sought to submit a bid, only to carry out the study and associated wider engagement on a future transport strategy. In broad terms the programme has been divided into four 6 months blocks as shown below



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

- 2.9 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.
- 2.10 A two year programme of work is envisaged, starting in July 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.
 - Stage 2: option review to obtain initial feedback to gain acceptability on the 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.

3.0 Implications For Council Policy And Governance

- 3.1 The Future Transport Strategy work through the TIF process will support the objectives of the Local Transport Plan which contributes to the delivery of the Council's Strategic Plan objectives for transport and those of the Vision for Leeds. The outcomes from the strategy in terms of interventions will be expected to make a major contribution to improving the attractiveness and quality of the transport system in Leeds, reducing congestion and its associated effects as well as making a major contribution to the outcome of the Climate Change Strategy.
- 3.2 Progress will be reported to the Executive Board at all the key stages in the delivery process. Oversight of the TIF Strategy package is provided by a Project Board chaired by the Chief Executive of Leeds City Council.

4.0 Legal And Resource Implications

- 4.1 The work will be taken forward in partnership with Metro and is supported by Yorkshire Forward. The future transport package, which will be the basis for any future TIF business case, will be developed using currently approved staff resources at the City Council. Additional resources are required to support the development of the analysis tools and provide specialist advice. The cost estimates are shown below. These costs can be met from the Integrated Transport Scheme 99609 within the approved Capital Programme and are eligible for 100% Government funding.
- 4.2 The overall cost of the development work through to a TIF business case is estimated at £4.6m. The costs are shared between Leeds City Council, Metro the DfT and Yorkshire Forward.

	2008/09	2009/10	2010/11	Total
TIF business case	150,000	570,000	45,000	765,000
Data collection/modelling	1,675,000	100,000	0	1,775,000
Intervention options	50,000	175,000	0	225,000
Investment measures	235,000	400,000	0	635,000
Engagement	150,000	200,000	50,000	400,000
Sub Total	2,260,000	1,445,000	95,000	3,800,000
Contingency (10%)	226,000	144,500	9,500	380,000
Project Management	175,000	200,000	50,000	425,000
Grand total	2,661,000	1,789,500	154,500	4,605,000

Leeds Contribution				
Staff Resources	128,825	152,000	23,175	304,000
LTP Funding	270,325	116,425		386,750
Total	399,150	268,425	23,175	690,750

5. Recommendations

5.1 Members of the Executive Board are requested to:

- i. Endorse the proposed future transport strategy work facilitated by the TIF pump priming funding.
- ii. Approve the capital contribution to the development costs of £386,750 to be funded from the Integrated Transport Scheme 99609 within the approved Capital Programme and are eligible for 100% Government funding.