

## **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 levering 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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