

**Report to:** West Yorkshire Combined Authority

**Date:** 13 December 2018

**Subject:** **Transforming Cities Fund**

**Director:** Alan Reiss, Director of Policy, Strategy and Communications

**Author(s):** Tom Gifford

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	N/A

## 1. Purpose of this report

1.1 Following the Transforming Cities stage 1 submission being successfully approved by Government, the purpose of this report is to:

- Provide an update to West Yorkshire Combined Authority on Transforming Cities Fund;
- Seek endorsement to the continuation of the Transforming Cities Fund member working group sessions to oversee the development of the Transforming Cities Fund stage 2 submission;
- Seek agreement for the Managing Director to exercise his delegated authority to submit the 'small bid' in consultation with the Chair of the Combined Authority and Chair of Transport Committee;
- Seek delegated authority for the Transport Committee to oversee and submit the 'big bid' and the Future Mobility bid;
- Seek approval to spend the £50,000 grant funded by the Department for Transport to support the development of the Stage 2 bid.

## 2 Information

2.1 The Transforming Cities Fund ("TCF") was announced in the Budget of November 2017 as a £1.7 billion fund to "support intra-city transport, will target

projects to drive productivity by improving connectivity, reducing congestion and utilising new mobility services and technology”. The government originally made £840 million capital funding available for competitive bidding by non-mayoral combined authorities over the four year period to 2021-22; as of the Budget announcement on 29<sup>th</sup> October 2018, the total available is £1.28 billion and the period has been extended to 2022-23.

2.2 Key points include:

- £1.28 billion of funding is available to non-mayoral authorities in England. The Department for Transport (“DfT”) have set out that the competition to access this money will take a two stage application process. This includes an allocation of £60m available in financial year 18/19.
- Ten authorities (*“Derby & Nottingham, Leicester City, the North East, Norwich, Plymouth, Portsmouth, Southampton, Sheffield, Stoke-on-Trent and West Yorkshire”*) have been successful in reaching stage 2, and the 29 October budget announced that a further two areas would be allowed to bid. The DfT received circa 20-25 stage 1 bids.
- In both TCF stages 1 and 2, bids are being competitively assessed against each other with funding awarded to the proposals which demonstrate the greatest improvements to productivity and offer the best value for money.

2.3 The DfT Stage 1 guidance outlined that stage 1 submissions are ‘light touch’ – in essence to agree the functional geography and broad scope of the submission. Individual schemes and information costs were not required for the stage 1 submission.

2.4 On 8 June 2018, West Yorkshire Combined Authority submitted the stage 1 TCF submission on behalf of the Leeds City Region (“LCR”). The contents of the LCR stage 1 decision were developed through a series of workshops, 1:1 and committee meetings with members and officers from across the City Region. The LCR Stage 1 submission was required to be published online and is available through the weblink below<sup>1</sup>. The LCR stage 1 submission focused around three themes:

- Strand 1: Transforming connectivity on four corridors in greatest need.
- Strand 2: Creating eight Transformed 21st Century Gateways (plus a number of smaller locations).
- Strand 3: Transforming mobility for future generations (which to a degree also cuts across Strands 1 & 2).

2.5 The Government decision on Stage 1 bids was made on 27 September 2018 (a decision was originally expected in July 2018).

---

<sup>1</sup> <https://www.westyorks-ca.gov.uk/transport/transforming-cities-fund/>

### Development of the stage 2 submission

- 2.6 With the scope and geography now agreed, through stage 2 the detailed proposals within each strand need to be developed. DfT have advised that in the development of stage two submissions, successful city regions will work with DfT to develop scheme specific proposals.
- 2.7 The DfT guidance has now been released for the 'small bid' submission, with guidance for the other bids to follow. The working assumptions are that:
- A. The Combined Authority can submit a 'small bid' on behalf of the region with a value up to £10m by 4 January 2018, with at least an element of spend commencing in financial year 2018/19, for a proportion of the total DfT TCF allocation £60m available in financial year 2018/19 (further details provided in paragraphs 2.12-2.15)
  - B. The Combined Authority can submit a 'big bid' on behalf of the region, which can be submitted as part of a strategic outline business case during 2019, for a proportion of the £1.28billion funding available.
  - C. The Combined Authority can submit a separate bid on behalf of the region to the separate £90m Future Mobility fund, to create Future Mobility Zones in which to trial new transport modes, services and digital payments.

### Leeds City Region TCF Member Working Group

- 2.8 As with stage 1, the contents of the stage 2 bid will be developed in collaboration with Leeds City Region stakeholders, officers and members.
- 2.9 The 5 April 2018 Combined Authority meeting agreed that a 'Task and Finish' working group for portfolio / lead members be set up to shape the stage 1 submission. This was invaluable in shaping the stage 1 submission and it is proposed to set up regular meetings of the group to shape the stage 2 submission.
- 2.10 In addition, a series of working groups took place with officers from partner authorities from across the Leeds City Region to develop the bid. Dialogue is also continuing with the Leeds City Region Local Enterprise Partnership as well as with private sector partners including bus operators and universities.
- 2.11 It is proposed to continue this approach for the stage 2 submission and to widen the invite to representation on the Member working group to the North Yorkshire authorities which are 'in scope' for the Leeds City Region submission.

### The 'Small Bid'

- 2.12 The DfT has set up TCF Stage 2 to be a competitive process against other regions. For the Small Bid, the 12 successful applicants are bidding for a share of £60m which is required to be spent in 2018/19.

- 2.13 We have been advised that a 'small bid' submission can be made for Leeds City Region of up to £10m. The 'small bid' must be submitted by 4 January 2018, with a decision from DfT anticipated by end of February 2018. Spend would be expected to commence immediately thereafter. The 'small bid' guidance document and application form were circulated by the Department on 26 November 2018.
- 2.14 Given the short timescales for developing and submitting the 'small bid', it is proposed to hold the first LCR TCF Stage 2 Member working during December, with the agenda focused on the scope of the Small Bid. Following the member working group meeting, the contents of the small bid will be circulated to all Combined Authority members and transport Portfolio Holders.
- 2.15 With the timescales required for submission of the 'small bid', this report proposes that the Managing Director exercises his authority to submit the 'small bid', in consultation with the Chairs of the Combined Authority and Transport Committee.

### **3. Inclusive Growth Implications**

- 3.1 There are no inclusive growth implications directly arising from this report.

### **4. Financial Implications**

- 4.1 The DfT has made a contribution of £50,000 to the development of the stage 2 submission. This will support the development of the various bids as part for stage 2.
- 4.2 No budget allocations have been set by Government for the money available to the 10 successful Stage 2 applicants. Allocations for the 10 successful authorities including Leeds City Region will be developed through the Stage 2 co-production phase with the Department for Transport.
- 4.3 Following the successful stage 1 submission, on behalf of the City Region, the West Yorkshire Combined Authority has the opportunity to 'co-develop with the Department for Transport' three bids:
- A 'small bid' with a value of up to £10m, to compete (against the other successful regions) for an element of £60m funding which is available to be spent in 2018/19 in TCF.
  - A 'big bid' for an element of the £1.28b funding available to be spent by 2023 to transform local connectivity in accordance with the scope of the Stage 1 submission.
  - Work with the department on the development of Future Mobility submission.

- 4.4 Devolved City Regions (such as Manchester, Liverpool and Tees Valley) are not required to 'bid' for any of this funding and instead have been allocated/devolved funding on a per capita basis.

## **5. Legal Implications**

- 5.1 There are no legal implications directly arising from this report.

## **6. Staffing Implications**

- 6.1 There are no staffing implications directly arising from this report.

## **7. External Consultees**

- 7.1 Drafts of this report have been shared with Leeds City Region district officers for comment.

## **8. Recommendations**

- 8.1 That the Combined Authority notes the progression of the Leeds City Region Transforming Cities Fund bid to the stage 2 co-development phase.
- 8.2 That the Combined Authority endorses setting up further on-going member working groups to support the development of the Leeds City Region stage 2 Transforming Cities Fund bids.
- 8.3 That the Combined Authority agrees that the Managing Director exercises his delegated authority to submit the 'small bid' in consultation with the Chairs of the Combined Authority and Transport Committee.
- 8.4 That the Combined Authority delegates authority to the Transport Committee to oversee and submit both the 'big bid' and the 'Future Mobility bid'.
- 8.5 That the Combined Authority grants approval to spend the £50,000 contribution made available by the Department for Transport to support the development of the Stage 2 bids.

## **9. Background Documents**

- Combined Authority Reports on Transforming Cities Fund on 14 December 2017 and 5 April 2018
- Transport Committee Reports on Transforming Cities Fund 15 May 2018 and on 9 November 2018.
- LCR TCF Stage 1 submission document:  
<https://westyorks-ca.gov.uk/transport/transforming-cities-fund/>
- LCR TCF Stage 1 Approval Letter from the Department for Transport.

## **10. Appendices**

None