



## **LEP – Sub Committee**

### **LEP - Transport for Lancashire Committee**

**Private and Confidential: No**

**Date:** Tuesday, 5 June 2018

### **Transforming Cities Fund**

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#### **Executive Summary**

The government announced the £1.7bn Transforming Cities Fund in the 2017 Autumn Budget, of which £840m is available on a competitive basis to city regions outside London that are not mayoral combined authorities and that can demonstrate the strongest case for investment. Submissions will need to provide evidence of high workday as opposed to residential populations, with bids focused on public transport, cycling and walking and smart technology solutions. The deadline for submitting completed application forms is 23:59 on Friday 8<sup>th</sup> June 2018. At the time of writing, bid preparation is very much work in progress. The committee will therefore receive a verbal update at the meeting.

#### **Recommendation**

The committee is asked to note the contents of this report.

## **Background and Advice**

The government announced the £1.7bn Transforming Cities Fund in the 2017 Autumn Budget. It is part of the wider National Productivity Investment Fund and aimed at driving up productivity and spreading prosperity by investing in public and sustainable transport networks in England's larger city regions. The fund also supports delivery of the government's Industrial Strategy, taking a place-based approach to investment in England's city regions. The six mayoral combined authorities received half of the fund on a devolved, per capita basis; the remaining £840m is available on a competitive basis to other city regions outside London that can demonstrate the strongest case for investment.

Bids need to adopt a place-centric approach focused on intra-city connectivity; the government will not accept proposals that are largely rural in character. Submissions will also need to provide evidence of high workday as opposed to residential populations. Those city regions with workday populations above 200,000 will therefore



score most strongly, although there does not appear to be a bar to bids from smaller areas. City region geographies do not need to reflect local authority boundaries.

Whilst the fund's focus is public transport, cycling and walking and smart technology solutions, the government is also interested in packages that will tackle skills, unlock housing and improve air quality. Packages that include improvements to national railway stations and multi-modal hubs are also encouraged. The government expects successful city regions to make use of relevant legislation such as the Bus Services Act 2017.

A key objective for the government is to make a small number of large investments to drive up connectivity to centres of employment. Following an initial sift of bids, the government will select up to ten city regions to co-develop plans into packages of schemes that it will then competitively assess, with funding awarded to those that demonstrate the greatest improvements to productivity and offer best value for money. This approach is similar to that adopted for Housing Infrastructure Fund Forward Funding applications, but there may be an additional requirement to 'pitch' proposals to a panel who will ultimately make recommendations as to final settlements.

First stage evaluation will focus on definition and challenges, who and where and ambition for change, not specific schemes. The government will be seeking evidence of the case for investment, the wider fit with other stakeholders including local enterprise partnerships and investment programmes, and the ambition of a city region to improve specific routes. Successful city regions will also need to demonstrate clear prioritisation and that significant investment on a small number of corridors can have a big impact.

Funding is capital and available over the four year period 2018/19 to 2021/22. There is no cap on the size of packages, but allocations to mayoral combined authorities were in the range £59m to £250m. The government regards additional funding raised through local contributions or from private investment to be an advantage. Bidders will need to build in monitoring and evaluation capability from the outset.

The deadline for submitting completed application forms is 23:59 on Friday 8<sup>th</sup> June 2018. At the time of writing, bid preparation is very much work in progress. The committee will therefore receive a verbal update at the meeting.

### **List of Background Papers**

Paper	Date	Contact/Tel
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None.

Reason for inclusion in Part II, if appropriate:

N/A