



WEST MIDLANDS
COMBINED AUTHORITY

Board Meeting

Date:	19 August 2016
Report Title:	Access Fund Revenue Competition
Cabinet Member Portfolio Lead	Councillor Roger Lawrence – Transport
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Report to be/has been considered by:	Strategic Transport Officers Group

Recommendation(s) for action or decision:

The Combined Authority Board is recommended to:

1. Endorse the development of a West Midlands Combined Authority (WMCA) bid, led by Transport for West Midlands (TfWM), in partnership with the Metropolitan Local Authorities which is required by the published guidance.
2. Agree that this will be the sole West Midlands bid and that there are to be no further partner or consortium bids supported by TfWM or individual Metropolitan Local Authorities.
3. Agree that the WMCA Transport Portfolio Lead will have delegated responsibility for approving the final bid.

1.0 Purpose

- 1.1 This report sets out the process for bidding into the Access Fund revenue competition.

2.0 Background

- 2.1 In the 2015 Autumn Statement, the Government announced £580 million (£80 million revenue and £500 million capital) for sustainable travel. £20 million of the revenue funding supported the Sustainable Travel Transition Year (STTY) competition in 2016/17. The remaining £60 million will become the Access Fund from 2017/18 through 2019/20.
- 2.2 It is noted that the West Midlands bid was not successful in securing any funding through the STTY competition. Feedback has been received from the Department for Transport (DfT), that although this was a strong bid, it could have provided further quantified evidence of success from previous programmes. The STTY bid would have been strengthened by more information on carbon, air quality and cycling, along with a more finite inclusion on walking. It is also noted that this was a limited pot of funding, and competition was very tight. From the total bids, DfT were only able to fund 38% of the bids received.
- 2.3 The Access Fund will benefit local authorities who wish to deliver sustainable transport projects that seek to grow the economy by boosting levels of cycling and walking, and by improving access to jobs, skills, training and education.
- 2.4 Local Transport Authorities are now invited to bid for a share of this £60 million pot for 2017/18 through 2019/20. Schemes receiving DfT funding may run for a single year or multiple years. The Access Fund is a significant contributor to the financial resources available for the DfT's Cycling and Walking Investment Strategy (CWIS), and all schemes must therefore demonstrate strong or very strong support for cycling and walking.
- 2.5 This competition is for revenue funding only. The capital funding for sustainable transport is embedded in the Local Growth Fund (LGF) and is subject to a separate competitive process (known as 'Growth Deals'). The Growth Deals competition was announced in March 2016 and is led by Local Enterprise Partnerships (LEP's); the £500m capital funding announced for sustainable transport is part of the Department for Transport's overall funding contribution to the LGF. Significant engagement has been ongoing with the three LEP's to ensure capital elements have been developed to be complemented with the revenue element of the Access Fund.
- 2.6 There are a number of transport elements within the LGF3 programmes and packages, which the Access Fund bid will be aligned too. These are summarised below:
- Cycling and walking infrastructure
 - Swift ticket integration
 - Bus journey time reliability
 - Wayfinding and information

- Public transport interchange
- Park and ride
- Signal/UTMC upgrades
- Improved bus infrastructure
- Green travel zones
- Clean air zone measures
- Parking schemes
- Improved public realm
- Targeted highway improvements

2.7 Strong demand exists from local authorities for revenue funding for sustainable transport. In general revenue funding is less available from other sources than capital funding. Research published by the DfT demonstrates that sustainable transport projects deliver higher benefit to cost ratios (BCR's) when capital and revenue funding is combined. An example of this would be the provision of high quality cycle route to key destinations, combined with promotional activity, training and support to nearby residents and businesses.

3.0 Fund Objectives

3.1 The Access Fund was announced to build on the legacy of the former Local Sustainable Transport Fund (LSTF) and its objectives have evolved to support health and social benefits through increased cycling, and economic growth through access to employment, education and training. The primary objectives of the Access Fund are:

- To support the local economy by supporting access to new and existing employment, education and training; and
- To actively promote increased levels of physical activity through walking and cycling

3.2 The supporting objectives are:

- Demonstration of an understanding around how transport contributes to carbon emission and air quality levels, and provision of clear solutions;
- Reduced traffic congestion through providing people travel choices.

4.0 Bidding Process & Eligibility

4.1 The Access Fund will operate as a competitive bidding process and all bids must demonstrate some level of focus on walking and cycling. Bids with a strong focus on walking and cycling will be viewed favourably. The published guidance for the Access Fund makes explicit reference to Combined Authorities and that they will be responsible for bids in their area.

4.2 The grant is available for the period from 1 April 2017 to 31 March 2020. All grant funding must be fully committed by March 2020. Initiatives should seek to demonstrate a long term vision for sustainable transport and indicate how the proposal is the start of a scalable approach that could be delivered over a number of years.

- 4.3 There is compelling evidence on the many benefits to cycling and walking. These modes contribute to a healthier nation and to improved air quality and reduced emissions, and can help broaden employment and training horizons for people seeking work or education opportunities. Bidders should note the publication of the Government's Cycling and Walking Investment Strategy which was published for consultation in March 2016 with an ambition for England of making cycling and walking the natural choice for shorter journeys, or as part of a longer journey.
- 4.4 The £500m capital element is part of the LGF, and LEPs are currently bidding for £1.8bn from the LGF. Whilst bids for the £60m of revenue from the Access Fund can be free-standing, it is highly encouraged that they are linked to capital projects.
- 4.5 For the purposes of this competition, Combined Authorities, as the Local Transport Authority for a number of local authorities in their area, will be able to submit a bid up to a maximum of £7.5million.
- 4.6 The deadline for submission of bids is 9 September 2016, with decisions expected in early 2017.

5.0 Proposed Approach

- 5.1 The West Midlands is in a strong position to bid through this competitive process based on its previous Local Sustainable Transport Fund programmes and alignment to LGF capital programmes. It is therefore proposed that TfWM lead on developing bid in partnership with Metropolitan Authorities up to maximum allowable value of £7.5m.
- 5.2 It is evident from 2015/16 LSTF and 2016/17 Sustainable Travel Transition Year awards that DfT do 'balance' the amount of funding awarded across their national regions. If individual Local Authorities act as a lead bidder for other consortium bids in England, this is very likely to have an impact on the funding ultimately awarded to the West Midlands. Having a clear approach of a single and exclusive West Midlands bid removes the possibility of individual Local Authority bids being in competition with each other.
- 5.3 TfWM and Local Authority officers will co-ordinate the development of the bid document in line with the guidance provided by the Department for Transport. The aims of the WMCA bid are:
- Support the growth of the West Midlands economy by enabling access to employment and training opportunities
 - Do this by actively promoting increased levels of physical activity through walking and cycling
- 5.4 The WMCA Access Fund bid will be developed around the following five themes:
- Marketing & communications – promotion of active travel choices, and encouraging use of the new cycling and walking improvements
 - Supporting businesses – supporting people to work, goods to market, tackling barriers to business growth and transport network resilience

- Access to employment & training – helping unemployed, apprentices and young people access employment opportunities through active travel
- Active rail commuters - promotion of improved walking and cycle routes to stations with provision of new cycle parking
- Building an affordable long term legacy – provision of materials and toolkits alongside green travel governance models and active travel sponsorship package development

5.5 It is noted that Warwickshire County Council have agreed to join the WMCA bid given the linkages to Coventry and the focus on cycling provision on the Coventry to Nuneaton corridor.

6.0 Financial Implications

6.1 A minimum 10% local contribution (match) is required for revenue bids. Indications are that this match can be drawn from a combination of the following sources:

- Matched elements of grant funded initiatives (private sector)
- Operator ticket subsidies for job seekers (private sector)
- Employer contribution to Travel Plan initiatives, cycle training and promotion (private sector)
- Supporting measures in TfWM and Local Authorities (public sector)
- Other funding sources e.g. ESF Youth Employment Initiative (YEI) (public sector)
- Available Capital / Revenue funding as identified by WMCA or its constituent members.

6.2 The guidelines state the support from the private sector would strengthen the bid and demonstrate the required link to growth and jobs.

6.3 If successful, financial planning and reporting for any 2017/18 and onwards funding award through the Access Fund Transition funding can follow the established LSTF governance and delivery mechanisms.

7.0 Legal Implications

7.1 Any bid submitted to the Access Fund must be submitted in the name of the West Midlands Combined Authority as the effective legal entity for the purposes of entering into any funding arrangement with Central Government or otherwise. Any successful bid will also need to be administered in accordance with the scheme funding agreement in order to limit risk of clawback under the funding agreement.

8.0 Equalities Implications

8.1 None.

9.0 Schedule of background papers

9.1 None.