



## Japan Local Government Centre, London

### Monthly Report for March 2010 (England) – Urban Challenge Fund

#### **Background**

In its 2004 White Paper, *The Future of Transport*, the Department for Transport announced the creation of a Transport Innovation Fund (TIF). The fund had two strands for supporting different types of projects: Congestion TIF where local authorities bid for funds for their own schemes; and Productivity TIF where the DfT identified schemes of national importance. The DfT was looking for packages that combine demand management with a coherent anti-congestion strategy in those local authorities. In 2005, it was announced that 21 local authorities had bid for funds, of which seven were later successful. Over the course of its seven year lifespan (2008-2015), the TIF was to be worth £9.5bn.

Of the seven bids, the most ambitious and notable were the Greater Manchester and Cambridge TIF bids. The Greater Manchester TIF bid was to receive £3bn in grants and loans to fund large-scale extensions of its Metrolink system, as well as fund improvements to bus and rail services in the city, with the loan to be repaid through a new city-wide peak time congestion charge. In December 2008, a referendum across the 10 Greater Manchester local authorities saw the proposals defeated by a wide margin (78.8%) under a comparatively large turnout (53.2%). In June 2008 Cambridgeshire County Council decided to abandon its plans for a congestion charge to fund a new railway station, park and ride facilities and subsidised bus services on account of a lack of local support for a congestion charge in Cambridge. With these rejections, the TIF faltered and did not progress.

In November 2009, the Cabinet Office published a discussion paper *The Future of Urban Transport*, which took a critical look at the effects of current transport policy on English urban centres and argued that failure to improve provision will not only lead to an increase in congestion and damage the economy but will also lead to poor health through air pollution and obesity through physical inactivity. Furthermore, poor transport provision in urban areas also contributes to a negative experience of urban life, it claimed. The report claimed that the measurable annual cost of congestion in excess delays was £10.9bn, road accidents £8.7bn, poor air quality £4.5-10.6bn, physical inactivity and growing obesity £9.8bn, carbon emissions £1.2-3.7bn and noise £3-5bn. The report's authors claim it identified "a growing need for government to define a long-term vision for urban transport which rebalances its competing demands", with a vision for cities which "enable mobility by promoting a wider choice of journey; aim to reduce congestion and increase reliability, whilst

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*promoting greater levels of walking and cycling; and assist streets and public spaces to become more enjoyable places to be, where exposure to harmful emissions is reduced, and quality of life is transformed.”* The report concluded that the cost of poor health and physical inactivity is at least equal to the economic effects of delays to journeys.

### **Urban Challenge Fund**

In March 2010 the Department for Transport announced that the Transport Innovation Fund would be replaced by a new Urban Challenge Fund. The size of the new fund will not be determined until the outcome of the Comprehensive Spending Review later in the year is known, but the department is now consulting on the details of the plans. Transport Minister Sadiq Khan told MPs when announcing the new fund that *“The aim of the new Fund will be to deliver clear and measurable benefits for urban areas 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.”*

Local authorities will be responsible for assembling packages of local improvements to support the aims of the new fund. Khan said that it was hoped that the packages submitted by each council bidding for the funding would include more sustainable transport, encouragement towards modal shift and better bus services, as well as better city-wide traffic management and improved street design. He also conceded that the TIF did have “weaknesses”, as it had concentrated too much on congestion, which had failed to gain public acceptance of the proposals to tackle this through schemes such as charging.

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