

Transforming Cities Fund (TCF) – Development Update

Purpose

- 1.1 To update the Board on the development of the Transforming Cities Fund (TCF) programme and Derby's joint work with Nottingham City Council.

Recommendation

- 2.1 To note progress on the development of the programme.

Reason

- 3.1 TCF is a significant programme with potential investment benefits for the city.

Supporting information

- 4.1 TCF was originally launched in 2017, with half of the total funding being awarded directly to cities and regions with devolved powers. A competitive process was then announced, with the expectation that 10 cities or regions would be successful. The main aim of the fund is transform urban transport and particularly to improve the connection between centres of population and centres of employment. This should target areas of deprivation and ensure growth is inclusive.
- 4.2 In June 2019 an expression of interest was submitted by Derby and Nottingham through the Metro Strategy, as a city region. The acceptance of the expression of interest was confirmed in early October 2018.

Feedback from the Department of Transport (DFT) suggested that the Derby and Nottingham proposal was selected due to the coherent geography, clear vision with links to wider shared strategies and the combined population impact of 1.4m. At this stage £50k of revenue funding was given to each successful EOI to contribute to the development of the next phases. Derby and Nottingham have used this to commission external consultants to support the development of bid documentation.

- 4.3 There was an immediate request for Tranche 1 'quick win' projects and a successful bid was submitted in January 2019. Funding of £8.4m was confirmed on 25 March 2019. The guidance is that this should be spent during the current financial year.

4.4 **Future Mobility Zone Fund**

There are only 18 cities or regions in the TCF group. Being within this group will provide other funding opportunities; the first opportunity is the Future Mobility Zone fund. This is unusual in that there is a high expectation that the project will fail. The DFT wants to stretch the industry and stimulate the development of innovative technologies. The DFT is planning to establish a small group (perhaps 3 or 4) of 'live labs'. If the proposal is selected, then DFT and academics will work with the selected cities to refine the proposals.

4.5 **TCF Tranche 2**

The guidance for Tranche 2 was confirmed in February, with additional information provided at a 'Community of Practice' workshop in London on 12 March 2019. Since then, Derby and Nottingham have been working on the programme elements. The DFT have provided further guidance both on approaches, levels of evidence and impact measurement and on what is most likely to be judged as meeting their aspirations for achieving transformation in urban transport.

- 4.6 A draft Strategic Outline Business Case (SOBC) which is in effect an expression of further interest has been submitted on 20 June. This focuses on key growth corridors, locations where productivity could be enhanced, areas with sub-optimal public and sustainable connectivity, and air quality hotspots. The programme is aimed at providing exciting developments in mass transit, public transport, and sustainable travel by supporting walking and cycling. The total value of the draft programme is £188.44m.

The DFT will provide feedback on our draft outline proposal and then work with us over the coming months to co-produce a refined business case. This will then become the final bid which will need to be submitted in November this year.

- 4.7 The funding is 100% capital and the key risk identified at the moment is the revenue implications as a result of implementing the projects. The programme packages will need to demonstrate 'local contributions' and we will need to identify any revenue implications and seek further approval as the risks emerge.

Public/stakeholder engagement

- 5.1 There has been engagement with specific stakeholders originally from the Metro Growth Board and Delivery Board. Alongside this key technology and infrastructure providers, including public transport operators and local businesses have been taken through the development and inputted into scheme ideas. There has also been direct engagement with neighbouring highways agencies in Derbyshire, Nottinghamshire and Leicestershire.

Other options

- 6.1 The programmes have been subject to a sifting process with guidance from the DFT.

Financial and value for money issues

- 7.1 The programmes will be tested for value for money by the DFT as part of the development, submission and approval processes.
- 7.2 Nottingham has been nominated as the responsible financial administrative body for Transforming Cities Fund and the Future Mobility Zone.
- 7.3 Approval was granted to submit a bid and receive funding to the TCF programme at by Cabinet on 12 December 2018.

Legal implications

- 8.1 The Council is likely to be involved in negotiating new style relationships as a result of the innovation and transformative elements.

Other significant implications

- 9.1 Not applicable.

This report has been approved by the following people:

| Role | Name | Date of sign-off |
|--|--|-------------------------|
| Legal Finance Service Director(s) Report sponsor Other(s) | Verna Bayliss – Acting Director of Planning and Transportation | |
| Background papers: List of appendices: | | |