

## **CABINET – 24 NOVEMBER 2009**

### **READING AREA TRANSPORT INNOVATION FUND (TIF) BID**

#### **Report by Head of Transport**

#### **Introduction**

1. In January 2009 Cabinet considered a report on the Reading Area Transport Innovation Fund (TIF) bid. This explained that Reading Borough Council is seeking a Central Government contribution of £275 million to a total package of £300 million for transport investment in the Reading area over the next 10 years comprising public transport improvements, park & ride and a third Thames bridge. In return, Reading Borough Council would agree to a congestion charge in the longer term if the package of investments failed to achieve an agreed reduction in congestion.
2. Cabinet agreed that Oxfordshire County Council would be represented (by the then Cabinet Member for Transport) on Reading Borough Council's TIF Partner Authorities Liaison Group. However, Cabinet also made clear that Oxfordshire County Council is opposed to congestion charging per se and would only support a third Thames crossing for public transport vehicles only.
3. The purpose of this report is to update Cabinet on subsequent developments and to seek a decision on whether or not Oxfordshire County Council should enter in to a Partnership Agreement with Reading Borough Council, other neighbouring authorities and the Department for Transport. If so, a further decision is required on which of three levels of partnership status is appropriate.

#### **Further Developments During 2009**

4. During 2009 it has become clear that all of Reading's other neighbouring authorities share Oxfordshire County Council's opposition to congestion charging. None will accept congestion charging within their boundaries, which rules out a charge covering the whole Reading built up area. In the case of West Berkshire, this opposition to congestion charging includes any scheme in Reading Borough.
5. Reading Borough Council has been working closely with the Department for Transport (DfT) and it seems that, with very few local authorities still progressing TIF bids, DfT is keen that at least one or two should go ahead if possible.
6. In order to achieve this within the rules for TIF, DfT and Reading have devised a three tier partnership arrangement to allow authorities opposed to

congestion charging to participate. Meanwhile, DfT is trying to get an early commitment from Reading to charge-based demand management.

7. **Level 1 Full Partners** support the whole programme and can derive the full financial benefits of the package (revenue and capital) but must be prepared to accept congestion charging within their area if this is necessary to tackle congestion. Reading Borough Council will be the only Full Partner, given the position of all of the others (including Oxfordshire County Council) on congestion charging.
8. **Level 2 Programme Partners** will support and contribute to any proposals in the programme affecting their area. They will share decision making with Full Partners (except about how any congestion charging revenue is spent). They will contribute 10% funding to match 90% Government funding. Wokingham Council is likely to sign up to this level of partnership.
9. **Level 3 Infrastructure Delivery Partners** will not have direct access to TIF funding and will not share decision making powers. They may benefit from cross-boundary measures affecting their areas, will be kept informed and may lobby for changes to the programme. Bracknell Forest Council is likely to sign up to this level of partnership.
10. **Non-participation** is the remaining option. West Berkshire Council is likely to take this course of action because of its strong opposition to congestion charging in Reading Borough.
11. Reading Borough Council is not at all enthusiastic about congestion charging. It has been trying to persuade DfT to agree to a formula whereby the various transport investments are funded first in the hope that this package of measures will reduce congestion levels below an agreed "tipping point". It would introduce congestion charging if and only if the package of transport improvements failed to deliver the agreed reduction in congestion.
12. These discussions are ongoing. Meanwhile DfT has been considering the various documents submitted by Reading Borough Council. DfT has indicated that it may be willing to provide £60 million of funding for the first phase of the TIF proposals (2010-2012) if Reading Borough Council introduces a Low Emission Zone (LEZ) for central Reading in 2013.
13. The attraction of a LEZ for DfT is that it would demonstrate on Reading's part an early commitment to a form of charge-based demand management. This is because entry to the LEZ by commercial vehicles would be free for those meeting low emission standards but there would be a high charge for more polluting vehicles.

## **Options**

14. There are three options for Cabinet in terms of the level of further participation by Oxfordshire County Council in the Reading Area TIF bid. These are:
  - (a) Level 2 Programme Partner
  - (b) Level 3 Infrastructure Delivery Partner
  - (c) Non-participation
15. Level 2 Programme Partner status would give Oxfordshire County Council the advantages of a seat at the decision making table and direct access to funds. The other decision making partners, Reading and Wokingham, are keen to include a third Thames bridge in Phase 3 of the project. A seat at the table could give Oxfordshire County Council the opportunity to ensure that this scheme and alternatives to it are properly evaluated and that it only goes ahead (if at all) in an acceptable way.
16. Level 3 Infrastructure Delivery Partner status would allow Oxfordshire County Council to benefit from cross-boundary schemes without contributing 10% of the cost. However, Reading Borough Council has indicated that it sees any park and ride sites located in South Oxfordshire as its responsibility for funding anyway, regardless of Oxfordshire's partnership level. Other measures such as bus and rail enhancements would only go ahead if they are seen as beneficial to Reading and/or Wokingham. These authorities could also seek to progress the third Thames bridge and, with Oxfordshire County Council effectively having only observer status, this might be harder to influence.
17. Non-participation would be an option if Oxfordshire County Council decides, like West Berkshire Council, that the Reading Area TIF proposals include measures to which it is strongly opposed and which it is unlikely to be able to change by participating at any level of partnership. It would allow the authority to publicly oppose and lobby against the TIF proposals.

## **Corporate Policies and Priorities**

18. Reading's TIF proposals would improve transport choice and value for money for those using non-car modes but motorists could pay more, though there might be congestion benefits. It is too early to assess these impacts until the options have been modelled. The proposals should support Oxfordshire County Council's priorities of Environment and Climate Change and the healthy part of Healthy and Thriving Communities. It is too early to assess the impact on the thriving part of Healthy and Thriving Communities and on a World Class Economy.

## **Legal Implications**

19. If Cabinet decides in principle to participate as a Level 2 Programme Partner then the various documents will need to be checked to ensure that the legal implications are taken into account before the Cabinet Member for Growth and Infrastructure signs any agreement.

## **Equality and Inclusion Implications**

20. Access to a range of jobs and facilities is important, particularly as the recession bites and people need to find new employment or training. Reading's plans for lower bus fares are likely to be based on concessions for those less able to pay (e.g. young people, unemployed) and it is important that disadvantaged South Oxfordshire residents can share in these.

## **Sustainability Implications**

21. While the car is the main mode of transport for commuters to Reading, the highest numbers of car commuters are from areas with direct rail and bus links to the town. This suggests that there may be potential to switch to improved public transport or park and ride. However, this will probably require better onward links to non-central destinations in the borough. A Low Emission Zone in Reading might lead to an improvement in the emission standards of commercial vehicles travelling through Oxfordshire.

## **Risk Management**

22. The main risks are additional traffic in South Oxfordshire and poorer access to jobs and facilities in Reading. However, there are also opportunities to improve bus services and develop park and ride and improved cycle routes. Participation in the TIF process offers the best opportunity to manage these risks and opportunities.

## **Financial and Staff Implications**

23. Oxfordshire County Council would be eligible for TIF funding from Government towards transport improvements within Oxfordshire but (with the exception of park and ride) would be expected to find a 10% contribution towards these. Members will need to consider any such investment against other Oxfordshire priorities.
24. Staff (or consultant) input will be needed to work with Reading Borough Council and neighbouring authorities, particularly in understanding the traffic implications for Oxfordshire of the various elements of the TIF package. Further staff (or consultant) input will be needed in developing transport improvements within Oxfordshire (e.g. bus, rail, park and ride, cycling). A significant contribution towards the cost of this work would be expected from the TIF.

## **Conclusions**

25. On balance it appears most advantageous for Oxfordshire County Council to participate as a Level 2 Programme Partner. However, it should be made clear to the other local authorities and DfT – and accepted by them – that the various elements of the programme, and the bridge specifically, can only go

ahead as part of the TIF package with the agreement of the local authorities in whose areas these are located. (This would confirm Oxfordshire County Council's responsibility as Highway Authority for any new bridge and access roads that are located in the county).

26. This should be acceptable to the other parties but if it is not possible to obtain this agreement then Oxfordshire County Council's participation could be seen as endorsing significant measures to which the County Council is opposed. In this eventuality it is probably best if Oxfordshire County Council does not sign up to any level of partnership.

## **RECOMMENDATIONS**

27. **The Cabinet is RECOMMENDED:**
- (a) to agree in principle that Oxfordshire County Council can participate in the Reading Area Transport Innovation Fund (TIF) scheme as a Level 2 Programme Partner;**
  - (b) to make clear to the other local authorities and the Department for Transport that this is conditional on their agreement that the various elements of the programme, and the bridge specifically, can only go ahead with the agreement of the local authorities in whose areas these are located; and**
  - (c) to authorise the Cabinet Member for Growth and Infrastructure to sign the partnership agreement subject to the agreement in (b) above and to legal and financial advice.**

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Background papers:

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