



**CABINET – 22 OCTOBER 2019**

**PROPOSALS FROM LEICESTER CITY COUNCIL REGARDING THE  
TRANSFORMING CITIES FUND AND AIR QUALITY DIRECTIVE**

**REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT**

**PART A**

**Purpose of the Report**

1. The purpose of this report is to establish the County Council's formal position on the proposals being developed by Leicester City Council in preparation for a bid to the Transforming Cities Fund (TCF) bid and in response to government's Air Quality Directive (AQD).
2. The report also advises members of a TCF bid being submitted jointly by Derby and Nottingham City Councils which, if successful, would include improvements to connectivity in the area around East Midlands Airport.

**Recommendations**

3. It is recommended that:
  - (a) The Cabinet confirms its support in principle for Leicester City Council's
    - i. emerging Tranche 2 proposals to the Transforming Cities Fund;
    - ii. proposed response to the Government's Air Quality Directive;
  - (b) That it be noted that the Director of Environment and Transport, following consultation with the Cabinet Lead Member for Environment and Transport, will continue to engage with Leicester City Council in finalising its AQD response and TCF bid;
  - (c) That the timescales indicated in the report for submission of the AQD response and TCF bid by Leicester City Council and further work, including consultation be noted;
  - (d) That the likely content of the joint TCF bid by Nottingham and Derby City Councils be noted;
  - (e) That members be advised of the outcome of Leicester, Derby and Nottingham City Council's TCF bids and Leicester City Council's AQD proposals.

### **Reason for Recommendations**

4. The Council's support will assist Leicester City Council in its application for funding to improve sustainable transport and enhance transport links and to improve air quality, which will benefit residents of both the City and County.
5. Continued engagement with the City Council will help ensure that its proposals accord, so far as possible, with the County Council's transport and wider environmental approach and maximise their effectiveness.

### **Timetable for Decisions (including Scrutiny)**

6. The Environment and Transport Overview and Scrutiny Committee considered a report on the proposals on 5 September. Its comments are summarised in Part B and a minute extract is appended.
7. The City Council intends to make its submissions to the Government in October (Outline Business Case for AQD) and November (TCF Tranche 2: Strategic Outline Business Case) and will be advised of the County Council's views beforehand.
8. It is expected that the Government will respond to the City Council's TCF submission and AQD response during winter 2019. If successful, the City Council could commence work in early 2020.
9. Further reports will be submitted to the Cabinet and the Environment and Transport Overview and Scrutiny Committee as necessary.

### **Policy Framework and Previous Decisions**

10. The Leicestershire Local Transport Plan approved in March 2011 identifies transport goals and associated activities for the County, including –
  - Supporting the economy and population growth
  - Encouraging active and sustainable travel
  - Improving the connectivity and accessibility of the transport system
  - Managing the impact of its transport system on quality of life.
11. The Network Management Plan 2014-2026 sets out options to improve air quality in the County, including maintaining and managing the road network so it can operate as efficiently and effectively as possible, reducing the need for car travel, encouraging sustainable transport, influencing travel choices, and tackling congestion.
12. The Environment Strategy 2018-2030 sets out the Council's vision, aims, objectives and targets for better environmental performance, including reducing negative effects of travel and transport and improving people's health.

13. A Climate Emergency was declared by the County Council in May 2019. It has resolved to work with partners and other public bodies to deliver ambitious goals.
14. Leicester City Council's TCF and AQD proposals not only have the potential to support productivity and growth for that urban area but also to support this Council's environmental aspirations for the County.

### **Resource Implications**

15. There are no resources implications directly arising from this report. The County Council has no available resources to undertake co-development work with the City Council (and no contribution has been sought) but it will continue to give input, where appropriate, to the development of proposals (the County Council is a member of the City Council's TCF and AQD Project Boards). This will enable it to maximise benefits and minimise disbenefits to Leicestershire and ensure that the proposals are aligned with the County Council's policies and strategies where possible.
16. The County Council will be expected to cover any future ongoing maintenance of works carried out on county roads, but these are expected to be relatively minimal.
17. Generally, despite the Government's adoption of a Clean Air Strategy, the level of national funding available to tackle air quality issues, including the promotion of sustainable transport measures, remains small in comparison to funding for roads and rail schemes.
18. The Director of Corporate Resources has been consulted on the content of this report.

### **Legal Implications**

19. Where appropriate and in order to safeguard the Council's interests, it is expected that Leicester City Council will enter into legal agreements with the County Council for measures that affect roads for which the County Council is responsible. In essence this is the same as when a developer wants to carry out works on the Leicestershire's road network. There are currently no extensive TCF works affecting roads within Leicestershire but should works be required in the future, a legal agreement would allow Leicester City Council to work on roads for which the County Council is the highway authority.
20. Leicester City Council has been directed by the Secretary of State to address nitrogen dioxide (NO<sub>2</sub>) levels exceeding EU limits in the shortest possible time; if it does not do so it may receive a further 'Directive' from the Secretary of State and/or for legal challenge from an organisation such as ClientEarth.
21. The Director of Law and Governance has been consulted on the content of this report.

**Circulation under the Local Issues Alert Procedure**

None

**Officers to Contact**

Ann Carruthers – Director  
Environment and Transport  
Tel: (0116) 305 7000  
Email: [ann.carruthers@leics.gov.uk](mailto:ann.carruthers@leics.gov.uk)

Ian Vears – Assistant Director  
Environment and Transport  
Tel: (0116) 305 7966  
Email: [ian.vears@leics.gov.uk](mailto:ian.vears@leics.gov.uk)

## **PART B**

### **Background**

#### **Transforming Cities Fund**

22. A £1.7 billion TCF was announced in the Government's 2017 Autumn Budget (half of this funding was allocated to elected metro mayors, whilst the remainder was open to competition from other cities in England).
23. TCF aims to improve productivity and spread prosperity through investment in public and sustainable transport in some of the largest English city regions. It aims to do this by addressing weaknesses in city transport systems, improving transport links between city centres and suburbs and promoting local growth within city regions, placing cities at the heart of the government's industrial strategy.
24. As a result, the Government intends that people will have better options to combine different modes of transport. TCF measures will support public transport, walking and cycling projects, improve connectivity, reduce congestion, improve air quality and health outcomes, and introduce new mobility services and technology.
25. The Department for Transport (DfT) has introduced a phased TCF process. This consists of measures that can be delivered within the first two years (Tranche 1 bids) and other measures that will take longer to deliver (Tranche 2 bids). The process, from initial expression of interest, Tranche 1 bids, Tranche 2 bids and delivery, covers a five-year period (2018/2019 to 2022/23).
26. After submitting successful expressions of interest to the DfT in June 2018, Leicester, Nottingham and Derby City Councils were shortlisted, along with twelve other authorities, for a share of £840 million TCF funding.
27. Leicester City Council also needs to respond to the Air Quality Directive issued by the Government (explained later) and its TCF proposals would correspond with its actions needed to reduce NO<sub>2</sub> levels, giving it the opportunity to deliver the interventions using this funding.

#### **Leicester City Council's TCF Proposals**

28. Following its successful expression of interest, the City Council submitted a bid to the DfT for TCF Tranche 1 funding in December 2018, supported by the County Council. The Tranche 1 bid comprised walking and cycling measures within the city, introduction of electric buses and associated charging infrastructure for Birstall Park and Ride (P&R) and delivery of contactless smart payment across central Leicestershire's bus network. In March 2019 the City Council secured £7.8m from the DfT for these proposals.
29. The City Council's proposals for TCF Tranche 2 could be valued in the region of £120m to £150m. They are likely to focus on four key themes:

- City Centre Hubs and Links, including bus and rail station improvements
  - P&R Hubs and Links, including further electrification of P&R services
  - Green Growth Corridors, including public transport, cycling and walking measures
  - City Connectivity, including smart ticketing and bus information.
30. The Leader of the County Council has provided the City Council with an ‘in principle’ letter of support for its Tranche 2 bid, in anticipation that the two authorities would continue to work together on the development and delivery of Tranche 2 proposals. The Cabinet’s decision on this report will be fed into the continued work.
31. Tranche 2 proposals reach out to the city boundary. At this time, no extensive works affecting roads within Leicestershire are envisaged but some works in the County may be required to ensure continuity of bus and cycle lanes. Details will emerge on this as the City Council’s programme develops.
32. Leicester City Council will be submitting a Strategic Outline Business Case (SOBC) for Tranche 2 funding to the DfT in November 2019. If successful, implementation will start in April 2020, with measures delivered by the end of March 2023.
33. At this stage, it is proposed that the County Council broadly supports Leicester City Council’s Tranche 2 bid in principle. As the City Council’s proposals are developed and specific scheme details emerge the County Council will continue to assess any impacts on the Leicestershire highway network and feedback its comments as appropriate.

### **Nottingham and Derby City Councils’ TCF Proposals**

34. Following a successful expression of interest, Nottingham and Derby City Councils submitted a joint bid to DfT for TCF Tranche 1 funding in December 2018. Whilst this was primarily aimed at improving connectivity between the two cities the geographical scope of the proposals also included East Midlands Airport and the East Midlands Gateway (the adjacent freight interchange) which are within Leicestershire.
35. In March 2019 the Councils secured £8.4 million towards the joint Tranche 1 proposals, including provision for an allocation of up to £250,000 for electric charging infrastructure to support future electric shuttle bus service operation within the East Midlands Gateway site to connect with Skylink bus services.
36. It is understood that Nottingham and Derby City Councils’ Tranche 2 proposals will continue to focus on connectivity between Nottingham and Derby and to the area around East Midlands Airport and will include provision for walking, cycling and public transport measures.
37. The Councils will be submitting a Strategic Outline Business Case (SOBC) for Tranche 2 funding to the DfT in November 2019. If successful, implementation will start in April 2020, with measures delivered by end the March 2023.

38. The County Council has advised Nottingham and Derby City Councils that it expects to be consulted on any proposals that could potentially affect Leicestershire's transport system prior to finalisation of the business case.

### **Air Quality Directive**

39. Road vehicles are the main source of air pollution in the most populated urban environments, with pollutants that have the greatest health impacts. The Government has identified the most immediate and urgent air quality challenge faced by local authorities as the NO<sub>2</sub> concentrations around roads, as road transport is responsible for approximately 80% of this.
40. In July 2017, Defra and the DfT's joint air quality unit (JAQU) published its plan for tackling air quality: *Air Quality Plan for tackling roadside nitrogen dioxide (NO<sub>2</sub>)* which sets out actions to bring NO<sub>2</sub> air pollution within statutory limits in the shortest possible time. The JAQU initially directed 28 local authorities responsible for air quality management, with some of the worst NO<sub>2</sub> problems, to produce local air quality plans to bring NO<sub>2</sub> levels within statutory limits in the shortest possible time (councils included Birmingham, Leeds, Nottingham and Derby).
41. The Plan also highlighted other local authorities responsible for air quality management with shorter-term NO<sub>2</sub> problems; where NO<sub>2</sub> levels on local authority roads exceeded statutory limits but were expected to comply (mainly through natural fleet turnover) by 2021. Leicester City Council was one of these authorities, with three locations of NO<sub>2</sub> exceedances identified: Vaughan Way, St. Matthews Way, and the A563 Soar Valley Way.
42. However, following a legal challenge from the environmental charity ClientEarth, the Government was forced to direct around a further 30 local authorities with short-term NO<sub>2</sub> problems, including Leicester City Council, to carry out feasibility studies for the reduction of NO<sub>2</sub> air pollution in their areas in a shorter timescale.

### **Improving Air Quality in Leicester**

43. During summer 2018 the City Council considered a shortlist of measures and concluded that there were no measures that could bring forward earlier compliance with NO<sub>2</sub> levels on Soar Valley Way or Vaughan Way from 2020 to 2019. With regard to St. Matthews Way, a behavioural change programme was identified to bring forward compliance and JAQU has directed the City Council to implement these measures.
44. As part of the feasibility study the City Council also submitted additional air quality data that demonstrated more persistent NO<sub>2</sub> exceedances further along Vaughan Way and Burleys Way, with compliance projected in 2022.
45. In November 2018, the County Council was advised by the City Council that it had been directed by the Secretary of State for the Environment, along with seven other local authorities, to carry out further studies to ascertain if more significant measures could achieve compliant NO<sub>2</sub> levels in the shortest possible

time. The City Council was required to undertake desktop modelling of alternative strategies to achieve compliance, including a clean air charging zone.

46. The City Council is now finalising its modelling work and developing the measures it wishes to include in the outline business case. The County Council is working closely with the City Council for example by providing modelling support and commenting on the development of measures.
47. The types of interventions the City Council will also consider include:
  - Pedestrian, cycling and public transport infrastructure and services
  - Parking-based measures
  - Increase in ultra-low emission vehicles and infrastructure
  - Traffic signal control measures to reduce congestion-related emissions.
48. Leicester City Council must submit an Outline Business Case of the preferred measures to the Secretary of State by 31<sup>st</sup> October 2019.
49. The proposals overlap with the TCF, giving the City Council the opportunity to bid for TCF to deliver the above interventions.
50. The County Council's position with regard to the City Council's proposals is informed in part by national policy and guidance such as the Clean Air Strategy 2019 (which links to the Government's Industrial Strategy, Clean Growth Strategy, Road to Zero Strategy, and 25-Year Environment Plan), and statutory Local Air Quality Management guidance. This national context has also supported development of the County Council's policies relating to transport and air quality, outlined below, which have similarly informed its response.

### **Comments of the Environment and Transport Overview and Scrutiny Committee**

51. The Overview and Scrutiny Committee considered a report on the proposals on 5 September and a copy of the minutes is appended to this report. In summary, the Committee -
  - noted that responsibility for air quality in the area lay with Leicester City Council and in Leicestershire with the seven district councils, and that the Council would support those authorities in their plans to improve air quality,
  - noted air quality concerns in North West Leicestershire and a bid made (via Midlands Connect) for the A511 Growth Corridor which it was hoped would improve traffic movement,
  - expressed some concern that residents in rural areas, with limited access to public transport and charging points for electric cars, would be adversely affected by the introduction of Clean Air charging zones,
  - was pleased that the Director of Public Health would report to a future meeting on air quality.



### **Submission of TCF Bids and AQD Response**

52. As indicated previously the City Council will submit an Outline Business Case to JAQU by the end of October and the Strategic Outline Business Case to the DfT for the TCF Tranche 2 bid in November.
53. The City Council will be responsible for delivery of the associated works programme and provide all resources for the bid submission and programme delivery.
54. Officers will continue to work with Leicester City Council to ensure that its proposals
  - are, so far as is practically possible, sensible and coherent where they cross into the County, e.g. to avoid short gaps in footway or cycleway provision, or a mis-match of standards
  - take account of the County Council's on-going service reviews (particularly with regard to public transport)
  - are evidence-based to justify proposals, including likely benefits and negative impacts for the County transport network
  - do not to impose any significant costs or maintenance liabilities for the County Council
  - where in the County, are delivered in accordance with the County Council's normal requirements for third party works.
55. Detailed scheme design will be developed by the City Council at a later stage (subject to the award of funding).
56. Leicester City Council will undertake any investigations, engagement and consultation on TCF schemes within Leicester and where measures may have a direct impact on Leicestershire roads County Council officers will liaise with the City Council.
57. The City Council plans to consult on AQD measures with key stakeholders in Autumn/Winter 2019 and with the public in 2020.
58. The County Council has asked that it is provided with timely, up-to-date, relevant and firm evidence by the Leicester City Council as it develops its TCF and AQD proposals further, and also that all bid submissions and programme delivery timetables (including for consultation) are made available in order that the County Council can refer matters to members as necessary (i.e. via the Environment and Transport Overview and Scrutiny Committee and the Cabinet).
59. Nottingham and Derby City Councils are working to the same timeline as Leicester for their TCF bid. As this concerns connectivity not only between the two cities but for the area around East Midlands Airport (i.e. within Leicestershire), the County Council has also asked for details of these proposals, bid submissions and timetables to be provided in good time.

### **Equality and Human Rights Implications**

60. There are no equalities or human rights implications arising from this report. Leicester City Council will be responsible for preparing an Equality and Human Rights Impact Assessment for appropriate TCF and AQD schemes. The County Council will examine its assessments and take account of these when identifying appropriate mitigation.

### **Environmental Implications**

61. There are no environmental implications arising directly from this report. Leicester City Council will be responsible for preparing an Environmental Assessment for appropriate TCF and AQD schemes. The County Council will examine its assessments and take account of these when identifying appropriate mitigation.

### **Partnership Working and Associated Issues**

62. Leicestershire County Council will continue to work with Leicester City Council to seek to maximise benefits and minimise any disbenefits to the County.

### **Background Papers**

Report to the Environment and Transport Overview and Scrutiny Committee on 6 June 2019: Clean Air Strategy 2019

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1044&MId=5704&Ver=4>

Leicester City Council's Transforming Cities Fund webpage:

<https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/transport-and-streets/transport-bids/transforming-cities-fund/>

Leicester City Council air quality webpage

<https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/environment-and-sustainability/air-quality/>

### **Appendix**

Extract from the minutes of the Environment and Transport Overview and Scrutiny Committee meeting held on 5 September 2019.