



Additional TIF pump priming and development costs: 2007/8

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Overview

1. The Department for Transport has previously made available to local authorities pump-priming funding to support the development of TIF proposals. There is a small amount of additional funding available in the current financial year 2007/08. This note sets out the criteria that are attached to this funding and how it can be accessed.

2. Funding during the remainder of 2007/08 will be available for areas that have either:

a) formally submitted proposals and are providing further information to support the assessment by DfT and in parallel are developing elements of the proposal while waiting for a programme entry decision; or

b) have an outline proposal for a TIF package for which there is a political commitment to working up and submitting a business case during 2008/09.

3. No decisions have been made on whether further pump priming or bid development support will be available in 2008/09 and later years. If it is, separate guidance will be issued.

4. The process for allocating pump priming funding is separate from the process of allocating substantive TIF funds. Full TIF business cases will be assessed against the Congestion TIF Business Case Guidance (February 2007). It is not necessary to have had a successful pump-priming bid in order to apply for funding to the TIF through the congestion entry point. Nor does a successful pump-priming bid offer any guarantee of success in a bid for main TIF scheme funding.

5. This guidance only relates to funding available during this financial year and therefore we are making the process as streamlined as possible. Local authorities are invited to write to the department with the information requested below and explaining how they meet the criteria. Previously published documents can be used to support this bid.

Funding for areas with an outline TIF proposal and commitment to develop a TIF business case

Overview

6. Some additional pump priming funding will be available during the remainder of 2007/08 to allow authorities to progress the development of TIF business cases. This funding will only be available for authorities that have well progressed proposals, with political support to submit a full TIF business case based on these proposals.

7. To bid for funds authorities should write to the department setting out how they meet the criteria, outlining the proposals and the funding they require to progress this project during this financial year.

Criteria

8. Bids for this additional support will be assessed against:

- The likelihood of the delivery of a credible TIF business case in 2008/09; and
- The strategic fit of the proposals with the objectives for Congestion TIF schemes outlined in the Congestion TIF Business Case Guidance (February 2007).

9. We will only consider bids from promoters which include:

a) A public commitment to develop a demand management proposal that will be taken forward to full business case, including details of:

- A single demand management option that will be taken forward to full business case, including: The area(s) covered;
- The form of the demand management proposed. We will only consider bids for road pricing proposals, and by exception workplace parking levy;
- For road pricing schemes, the basis of the charge (e.g. cordon, area licence, etc) and the preferred technical charging solution (e.g. ANPR, DSRC etc);
- The range of charges and hours of operation being considered.

- b) An outline package of complementary investment;
- c) An outline financing strategy which includes the relative proposed contributions from central Government and local sources;
- d) An overview of, where appropriate, how cross-authority working will be managed;
- e) A detailed project plan for submitting a full business case;
- f) A report on the compliance of analytical support tools with WEBTAG guidance, and a plan, where appropriate, for ensuring that these tools are compliant by programme entry submission;
- g) Details of stakeholder and public engagement to date and proposed engagement prior to submission.
- h) We also expect bids to include:
 - the name of the authority (or authorities) submitting the proposal (making clear whether it is a joint proposal covering more than one authority);
 - the amount of funding from DfT for scheme development and the contribution this represents to total development costs, and how it will be used;
 - the names of the signing Officers or Members;
 - the names of both a policy and a communications contact for DfT to liaise with about the bid or bidding process (including e-mail addresses);
 - confirmation that the authority is happy for the Department to put the bid into the public domain once a decision has been taken.
 - 10. We have not taken a view as to how many areas we would consider supporting at this bidding round, but Congestion TIF funds are limited and we will not support any bids where the proposed package does not stand a reasonable chance of fulfilling the criteria in the Business Case Guidance or of being affordable from the Congestion TIF pot.

Conditions

11. We expect the bid to be endorsed by Transport Lead members or Leaders of all partner authorities to the proposal.

12. Limited funds are available in 2007/08 and no decision has been made about whether further funding will be available in 2008/09. We would expect funding to be supplemented by a significant local contribution although this can be considered across the pump priming rounds as a whole. In return for funding we will be seeking from authorities a report on the way in which the money has been spent, and the benefits that it has secured. We will require recipients of funds to share their experience and lessons learned with other authorities.

Post-Bid / Pre-Decision Development Support Criteria

Overview

13. The novel and complex nature of road pricing scheme business cases means that they can take longer than ordinary major schemes to assess and be confident that they are effective, deliverable, and value for money. Although this is critical to ensuring that we make the right decisions, we are concerned that authorities developing their proposals do not halt their preparatory work, thus putting back the potential implementation date of the road pricing scheme should it be awarded Programme Entry.

14. For this reason we are prepared to make some additional funding available to local authorities who have submitted business cases for TIF programme entry. This will part-fund additional consultancy support to ensure that scheme development continues whilst the business case is being assessed. The funding will only be available for those elements of pricing scheme development that we have identified as most likely to delay the implementation date of pricing. These are the preparation of the potential procurement of a pricing scheme, and the preparation of a plan to ensure that appropriate capacity and capability are in place to deliver a TIF package.

15. Application for and award of additional funding will have no bearing on the decision on the overall business case. Authorities will not be disadvantaged should they choose not to apply, nor should authorities take this funding as any kind of endorsement or indication of ultimate success of the bid.

16. Promoting authorities should submit a case for additional funding alongside their full TIF Business Cases, or as soon as possible afterwards. We will expect promoters to have discussed likely funding requirements with the Department in advance of bid submission. Promoters who have already submitted business cases are also invited to apply.

17. As with the additional pump priming, at this stage we will only be providing funding in 2007/08.

Criteria

18. We will only consider funding for road pricing elements of business cases or for progressing elements of the package that are critical to the delivery road pricing scheme.

19. At the time that a bid for additional development funding is made the package business case must be of sufficient detail and quality such that it is reasonable to expect a decision to award programme entry could be made within six months, or there is a plan for the provision of additional information which would make a decision within that timescale reasonable.

20. The promoter will need to demonstrate that road pricing scheme development would continue, but that the implementation date for pricing would be at risk without additional support, covering the areas outlined in paragraph 14 above, in this period.

21. The promoter will need to demonstrate how their workplan, in respect of the additional funding, would reduce the risk of delays to the pricing implementation date should the scheme go ahead.

22. The promoter will need to satisfy the Department that the consultancy support that they intend to engage is appropriate for the task and provides good value for money. Promoters may wish to discuss this with the Department in advance of submission.

Conditions and profiling

23. The Department will apply the above criteria in deciding whether or not a case has been made for additional funding. We would aim to make this decision within two to three weeks of submission of a bid for additional support, and then agree a work programme and funding profile.

24. The amount that the Department would be prepared to make available would be based on the extent of the further work needed to ensure that the implementation date is not put at risk and the amount of funding needed for this work. We would expect any funding to be supplemented by a significant local contribution.

25. All funds would be repayable to the Department should the promoter decide to withdraw their business case.

Submission of bids

26. Authorities should send copies electronically to DfT (e-mail: congestion.TIF@dft.gsi.gov.uk) and their regular RLTD and Government Office transport contact. Authorities are free to submit their proposals as and when they are ready up to 31 December 2007. We will not consider any bids for funding during 2007/08 received after that date.

26. Questions relating to this guidance should be directed to congestion.tif@dft.gsi.gov.uk, or to Mike Alcock (020 7944 4793).