



Department
for Transport

City Deals - Guidance on Applications for Cycle City Ambition Grants

February 2013

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Introduction

General comments

1. The coalition agreement sets out the Government's commitment to promote cycling and walking as part of a national.
2. Cycling has seen impressive growth in a wide range of cities across the world over the past decade. This applies as much to small and medium sized cities as megacities such as London, Paris, New York and Tokyo. Across the OECD ambitions for cycling are growing to move cycling to the mainstream offering it as a realistic choice for quick, reliable and convenient short journeys within cities. At a time of levelling or even slowing real per capita incomes, rising real costs of motoring and public transport mean there are strong financial incentives to cycle.
3. At times when all OECD countries are facing declining levels of physical activity together with a range of public health impacts, influenced in part by car dependency and sedentary lifestyles, support for mainstreaming walking and cycling is growing. The transfer of public health to local authorities in England from April provides a significant opportunity to improve integration of transport and health. There is a growing need to work across organisational boundaries to promote personal and public health and reduce the costs of physical inactivity, particularly among older people and women.
4. To city authorities mainstreaming cycling and walking offers a cost effective way to relieve congestion and improve the quality of life within the city.

City Deals

5. The Government has been working closely with individual cities and across Government Departments to agree a series of tailored 'city deals' that will help unlock economic potential. The first wave of 8 city deals were concluded by July 2012, and are now being implemented. Decisions about a Second Wave of city deals will be announced shortly.
6. For the purposes of the Cycle City Ambition Grants all First wave and any city applying to be a Second Wave City may apply. A full list of eligible cities is provided at Annex A to this guidance.

7. The Government has announced it is looking to civic and private sector leaders to identify their economic priorities and to develop specific propositions setting out what they would do differently, and what needs to change for this to happen. City Deals will:
 - a. Give cities the powers and tools they need to drive local economic growth;
 - b. Unlock projects or initiatives that will boost their economies
 - c. Deliver a step change in governance arrangements.
 - d. Put cities in the driving seat: Cities, not Whitehall, are best placed to identify the opportunities and challenges they face and how more cycling could support wider economic strategies.

Cycle City Ambition Grants

8. The Government is now inviting First Wave cities and cities applying to be Second Wave 2 cities to bid for a Cycle City Ambition Grant to support the first two years of a transformational long-term cycling strategy.
9. Our approach to Cycle City Ambition Grants is informed by a set of key principles:
 - a. Devolving real power to city authorities: There may be trade offs between focussing on the wider metro area and focussing on targeted interventions. These are matters for each city to decide. However, bids are likely to have the most impact where they are focussed on a single continuous urban area (ie a city and its suburbs), or perhaps two cities with high levels of travel to work/leisure connectivity.
 - b. Working across boundaries, sectors and professions: partnership and collaboration between Government, cities and their neighbouring authorities, cycle NGOs, walking NGOs and local business leaders will be critical to delivering transformative change.
 - c. Providing incentives for sustainable success: local leaders will need to redouble their efforts in creating incentives for removing barriers to cycling, in particular around safety for women and hard to reach groups.
 - d. Cycling and walking should also be an option as part of longer door to door journeys. This benefits public transport modes as well

as cycling by extending the catchment areas of rail stations and bus stops.

- e. We expect successful cities to evaluate the impact of their strategies and to promulgate them to other authorities to spread the benefits.

- 10.** The Government sees more and safer cycling strategies as important tools for cities to unlock a range of cross cutting economic and social benefits that enable growth. These include:
 - a. Unlocking capacity on road and public transport networks through large scale shifts to more active commuting patterns.
 - b. Better linked communities enabling more choice for getting around within and between neighbourhoods.
 - c. Higher productivity through improved fitness and consequently reduced absenteeism and better workforce performance
 - d. Improved public realm capable of attracting high value business
 - e. Direct savings to NHS through better health
 - f. Better access to jobs for disadvantaged groups
 - g. Revitalising streets through encouraging more spending on high value services and retail through improved access by foot or bike
 - h. Magnifying within city agglomeration benefits
 - i. Creation of new social enterprises and businesses to create new services in support for more cycling
- 11.** While the fund is predominantly geared towards improving conditions for cyclists, it is important that the needs of pedestrians are fully taken into account. In addition bids should ensure a strong focus on accessibility and the needs of disabled people.
- 12.** We know successful cycling strategies are those which are part of wider active travel strategies and we will therefore fund schemes that support both cycling and walking. While this fund is focused on cycling, as a minimum, proposals should use the principle of, 'do no harm' to the pedestrian environment. Schemes that actively add value to the pedestrian environment will be looked upon favourably.
- 13.** Schemes that promote walking as well as cycling are encouraged as part of a wider active travel strategy.

14. Consideration should also be given to demographics and segmentation of possible cyclists when considering changes in travel choice. Further information can be found using the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/49971/climate-change-transport-choices-full.pdf

15. We also intend that any new cycle infrastructure is fit for purpose and designed to a high standard as set out in the Cycle Infrastructure Design Guidance, see link below.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/3808/lti-2-08.pdf

16. There should be an emphasis on inclusive, high quality design that enhances the public realm to the benefit of all.

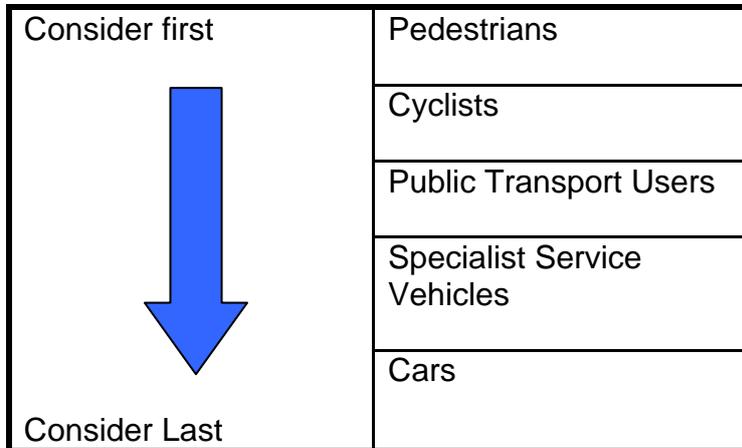
17. Practitioners are encouraged to design in accordance with the principles of the Manual for Streets and its companion document, Manual for Streets 2 - Wider application of the principles. These documents are available from:

<https://www.gov.uk/government/publications/manual-for-streets>

<http://www.ciht.org.uk/en/publications/technical-guidelines.cfm>

18. Particular attention should be paid to the hierarchy of users that these documents advocate. The hierarchy, see figure 1, does not necessarily mean that it is always more important to provide for pedestrians than it is for the other modes. However, they should at least be considered first, followed by consideration for the others in the order given. This helps ensure that the street will serve all of its users in a balanced way.

Figure 1: Street design with user hierarchy in mind



- 19.** Better streets principles are a useful starting point when considering the best design concept to revitalise streets. The Better Streets agenda takes a staged approach, through which improvements of various scales can be made over time and built upon further in the future. Guidance documents on Better Streets can be found below:

<http://www.london.gov.uk/sites/default/files/better-streets.pdf>

<http://urbandesign.tfl.gov.uk/Design-Guidance/Better-Streets/Five-Stages.aspx>

Funding and eligibility

- 20.** The Department for Transport has published details of how it will allocate the £42m investment in cycling announced in last year's autumn statement with £16.8m available in 2013-14 and £25.2m in 2014-15. This funding is part of the overall £107m the Government announced during 2012 for investment over 2012-13 to 2014-15, and in addition to the £600m for the Local Sustainable Transport Fund spread over the four years to 2014-15.
- 21.** The £42 will comprise two elements - an urban element and an element for rural areas that are covered by National Parks.
- 22.** For the urban element there will be a maximum of 3 Cycle City Ambition Grants. Cities will be able to bid for one of these grants. The grants are for infrastructure improvements to give people the confidence to take up cycling.
- 23.** The areas eligible to apply for those Grants are the cities that have secured City Deal status in Wave 1 deals, and the 20 cities that the

Government has invited to submit an Expression of Interest for a Wave 2 deal based on the size or growth of their urban population (see Annex A for the population size assumed for this competition). As a guide, we expect to provide funding to successful applicants of the equivalent of around £10 per head of population over 2 years, and expect a commitment to longer-term support from the cities themselves. However, for urban areas of more than 1M population we do not expect to give any one area a total grant of more than £10M in any one year. This is why we would expect to give no more than 3 cities a grant.

- 24.** In a separate competition covered by separate guidance, rural areas that are covered by National Parks are invited to apply for funding via the Linking Communities Fund which is administered by Sustrans. The guidance and application form will be made available on the DfT web alongside this guidance document.
- 25.** The Government wishes to support two to three cities seeking transformational change in the amount of cycling over the next ten years. Final decisions on the level of funding for any specific city will be made in view of the quality of the proposals put forward. However, as an indication of our approach, we might expect to support one First Wave 1 city and two cities bidding to be Second Wave cities.
- 26.** Cities should note the DfT contribution is only available for capital. The assumption should be that each city is bidding for around £10 per head per year of capital funding for the next two years in addition to any funding from the authority.
- 27.** Where revenue funding is required to supplement capital it would come from local resources. These might include relevant resources from the local authority's formula grant, European funding, funding from the local public health budget, funding received as part of section 106 agreements or other development related funding, Lottery funding, contributions from transport operators civil society or private sector organisations or other sources.

Scope of the Grant

- 28.** The Government is keen to support initiatives which are part of a strategy geared to meet a long term ambition to achieve transformational change in the amount of cycling. It is for each city to decide their level of ambition.
- 29.** We expect proposals to command cross party support for a 10 year plus city wide ambition.
- 30.** Each city ambition will need to set out how cycle networks will be mapped and how all groups, particularly pedestrians and the least active groups, will be engaged in developing a vision for an improved and fully integrated network that will be delivered over the next 10 years. The vision could include aspirations for:
 - a. Junction improvements, better street design and segregated or partially segregated cycle infrastructure alongside arterial roads for commuters
 - b. Segregated infrastructure to enable higher rates of access to schools, except where this would impact on pedestrian access.
 - c. Better infrastructure to link up businesses, hospitals, shops, and key services people need to get to as well as links between green space and roll out of more 20 mph zones and limits (subject to consultation)
 - d. Improved interchange hubs with better facilities to enable and encourage better door to door journeys
- 31.** The ambition could include baseline metrics and model to show how these metrics may change over the 10 years and what might change over the next 3 years. These could include metrics around:
 - a. Percentage of cycling trips
 - b. Perceptions of cycle safety
 - c. Changes in the level of physical activity profile
 - d. Focus on particular groups such as women or school children

e. Impact on walking levels and perceptions of walking safety

- 32.** Measures are expected that increase the scope for cycling. However, it would be expected that these would complement other measures that encourage active travel opportunities overall (e.g a number of public realm improvements will benefit both cycling and walking, through measures such as allocating space away from motor traffic and 20 mph speed limits are cycling measures that can also support improved opportunity to walk) reduce congestion, lower carbon levels and reduce the need or demand for travel.
- 33.** Demonstration of the capability to put in place a detailed delivery plan and package for 2013/14 and 2014/15 by 1 June 2013.
- 34.** Demonstration of a framework to evaluate impacts and promulgate these to other cities to maximise the benefits.
- 35.** The grant presents an opportunity for authorities to capture the benefits from previous cycle demonstration town projects and Local Sustainable Transport Fund (LSTF) projects and identify how those benefits can be transferred and brought to life in their own Cities. In addition to London many overseas cities starting from a low base in the amount of cycling and seeking transformational change examples include Edinburgh, Berlin, New York, Paris and across cities across Germany (over the past decade the percentage of trips by bike in Germany has increase from 9.5% in 2002 to 14.7% in 2011). The best international examples show how a successful approach can be taken to increase cycling numbers, yet also improve the quality of the environment for both cyclists and pedestrians.

Assessment Criteria

- 36.** The Grant is expected to support a range of different types of cycling measures that form part of a long term strategy to secure transformational change. Decisions on proposals will be taken on how far cities can further the coalition agreement aim to promote cycling.
- 37.** The Department will assess bids in line with its Transport Business Case guidance (see link below) consisting of the strategic, financial, economic, commercial and management cases.

<https://www.gov.uk/government/publications/transport-business-case>

- 38.** The Department's appraisal guidance is based on the principles of proportionality, with projects that require over £5m of Departmental DEL required to submit a full business case. Based on the principle of funding at £10 per head of population a year over two years, a small number of bids may be for less than £5m. However, we would expect bidders to demonstrate the same level of commitment that would usually be explained in a full business case and encourage all bidders to provide one.

Strategic case

- 39.** The following considerations will be used to assess each city's bid for a Cycle City Ambition Grant:
- Support the local economy and facilitate economic development
 - Level of ambition, cross party support and commitment to a long term vision for transformational change
 - Overall value for money
 - Level of engagement with Director of Public Health and Health and Well Being Boards. We expect bids to be accompanied by a letter of support from the relevant Director(s) of Public Health and an explanation of how cycling proposals and Health and Wellbeing Strategies will be aligned
 - Reduction in carbon emissions, traffic noise and improvements to air quality through enabling big shifts in the amount of cycling.
 - Impact on the least active groups

- Impact on pedestrians, including hard to reach groups
- Part of a holistic approach to increasing walking and cycling
- Impact on improving the health of the local population and reducing health inequalities, in particular by targeting the most physically inactive groups.
- Well being impacts through improved public realm
- Cycle infrastructure plans that also support walking and do no harm to the pedestrian environment.
- Assessment of capability to model impacts and set out high level delivery milestones for the next 2 years

Economic case

40. Value for money will be a key consideration in the assessment process. The measures brought together in a bid package need to maximise the overall benefits and seek to identify all the positive and negative impacts.
41. Programme proposals will be required to provide a full WebTAG compliant cost benefit analysis and need to be accommodated by a completed [Appraisal Summary Table \(AST\)](#). The appraisal should follow the proportionality principles set out in [WebTAG unit 2.1](#). This would be particularly relevant to programmes seeking less than £5 million in total, where the impacts are likely to be minor. In these cases qualitative assessments only would be expected.
42. As a minimum, all proposals should be supported by analysis in line with [WebTAG unit 3.14.1](#). For decongestion benefits, [WebTAG unit 3.9.5](#) provides a starting point. However, for proposals that are expected to deliver significant highway benefits, the use of a full transport model might be appropriate in line with [unit 3.10.6](#) on modelling smarter choices.
43. Promoters are required to complete a Scheme Impacts Pro Forma which summarises the impact of proposals against a number of metrics relevant to the appraisal. Separate Pro Formas should be submitted for each element (e.g. cycle route) of the scheme in addition to one summarising the full scheme. An Economic Appraisal report should be provided explaining all assumptions behind the data entered into the Pro Forma and providing supporting evidence for these. The approach taken to forecasting the impacts should be covered in the report as well. The Scheme Impact Pro Forma can be found on the DfT website alongside this guidance.

44. Additionally Authorities are encouraged to use the World Health Organisation's Health Economics Assessment Tool (Annex B) to support their proposals. This tool is designed to capturing the quantifiable benefits of cycling and walking.

Financial case

45. Promoters will have to demonstrate a strong level of local commitment to the scheme, both in terms of the priority afforded to it for growth and the commitment to ensure delivery as soon as possible. A local contribution should be included in the bid. This can be made up of both local authority and other third party funding. Evidence of funding and support from the private sector would further strengthen the evidence that the scheme has a demonstrable link to growth and jobs.
46. Local contributions could include third party funding or the provision of land in-kind (although this will need to be supported by a letter from independent valuer to verify the true market value of the land). Bid applications must identify the source of the local contribution and explain how the funding has been secured. We would expect to see a letter from the promoter's Section 151 Officer confirming that the authority has the available funds to meet the total local funding contribution. As the Fund is a competitive process, the greater the overall local contribution towards the cost of the scheme, and the more the contribution comes from the private sector and other external organisations, the more positively the bid will be considered in the assessment process.
47. Responsibility for estimating and controlling all project costs lies entirely with the bidding authority or authorities. The Department's agreed contribution will be the maximum that the scheme will receive and the Department will not be able to provide any funding beyond 31 March 2015 nor will it entertain any contribution to cost increases that may arise.

Management case: Deliverability

48. Proposals must be able to demonstrate that they have a sound implementation strategy for infrastructure delivery during 2013/14 and 2014/15 and for each element of their package.
49. Applications should detail how implementation will be managed within the consortia of local authorities that comprise any city with City Deal status and clearly identify the roles, responsibilities and the level of involvement of any partnership bodies in the delivery process.

- 50.** There should be a clear statement of senior level support from any partner organisations. We will look particularly favourably on bids that have support, or better still demonstrate evidence of processes for co-design with cycling groups, as well as with wider groups, particularly pedestrian, accessibility and disability groups and any resource commitment to scheme audit involving these groups.
- 51.** Bids should explain how Health and Wellbeing Boards and local authorities' own public health teams will be involved in the co-design and delivery of the cycling ambition.
- 52.** All applications should include a short summary of the key risks to delivery and planned measures for managing those risks
- 53.** Large projects (over £5 million) invited to submit full business cases should develop a delivery plan and/or risk register setting out how they will address the specific delivery issues and risks associated with their project.
- 54.** All applications should also include output milestones, to measure progress towards delivery of the package components to time and budget over the period to be covered by the funding. These milestones should be measures that local authorities readily identify with in monitoring progress on a local transport project and the many strands within it. The Department will, in assessing proposals, consider how far the proposed milestones are both ambitious and realistic. In submitting grant claims to the Department, authorities will be expected to set out progress against relevant milestones and other key deliverables for that period.
- 55.** The Department attaches importance to a wide spectrum of community participation in decision-making and delivery, with local authorities drawing on the ideas and expertise of the community and voluntary sector¹ beyond cycling and realising co-funding opportunities with the private sector and other external organisations including transport operators. The Department will treat positively in the assessment process those applications which have the support of community interests and incorporate plans for partnership working, including with the private sector. Applications are expected to include a local contribution towards the costs.

¹ This incorporates Voluntary, Community and Social Enterprises (VCSEs), including charities, social enterprises, cooperatives and mutuals both large and small.

Commercial Case

- 56.** The commercial case provides evidence of the commercial viability of a proposal and, where relevant, the procurement strategy that will be used to engage the market. It should clearly set out the financial implications of the proposed procurement strategy. It presents evidence on risk allocation and transfer, contract timescales and implementation timescale as well as details of the capability and skills of the team delivering the project and any personnel implications arising from the proposal.

Monitoring of scheme impacts, evaluation and benefits realisation.

- 57.** Bidders will be expected to consider proportionate monitoring and evaluation of the impact of the scheme once implemented. As part of the application process promoters will be expected to provide details on the likely benefits and how they will be measured and reported.

- 58.** Bidders can use the HMT Magenta Book to guide their thinking on evaluation. The Magenta Book can be downloaded here:

http://www.hm-treasury.gov.uk/data_magentabook_index.htm

- 59.** We are interested in better understanding the relationship between more and better cycling infrastructure and subjective wellbeing. We would encourage any city to use the Annual Population Survey, which includes subjective wellbeing data for every local area and to explore what, if any, impact better cycling and walking provision might make on the four measures of wellbeing included in the survey for every local authority in England. The link to the Annual Population Survey 2012 can be found here:

[http://www.ons.gov.uk/ons/guide-method/surveys/list-of-surveys/survey.html?survey=Annual+Population+Survey+\(APS\)](http://www.ons.gov.uk/ons/guide-method/surveys/list-of-surveys/survey.html?survey=Annual+Population+Survey+(APS))

Application Process

- 60. There is one application grant form available. Applicants should complete all sections as explained on the form and this should be accompanied by any necessary supporting material.
- 61. All applications to the Fund will be assessed against the criteria set out in paragraphs 35 - 56 of this guidance. As part of the assessment process, DfT plans to seek the views of a small group of independent advisors with sustainable transport and relevant wider experience.
- 62. It is for the partner authorities in each city are to decide which authority will lead and submit the bid. Only one bid will be allowed for each City Deal area. However, we are keen to encourage innovative and collaborative proposals coming forward.

Submission of Bids

- 63. Bids need to be submitted by 30 April 2013. Assessment will be completed by May/June 2013.
- 64. Three hard copies of bids and supporting material should be submitted to:

Cycle City bids (Wave 1 and 2)
Department for Transport
2/16 Great Minster House
33 Horseferry Road
London
SW1P 4DR

Enquiries

- 65. There will be three presentation and Q and A sessions from the Department for Transport.
 - a. Wednesday 6 March - London at DfT (1330 - 1530)
 - b. Thursday 7 March - PETG offices Leeds (1030 to 1230)
 - c. Friday 8 March - TfGM offices Manchester (1000 to 1200)

66. Should you want to attend any of these events please contact:

Ruth Fagan ruth.fagan@dft.gsi.gov.uk Tel 020 7944 3481

67. Initial questions about the application process, including clarification on the information and appraisal requirements for bids to the Fund, please contact the following officials in the Department for Transport, based on the region in which your authority is based:

Margaret Jackson
Head of Northern Engagement Team
Margaret.Jackson@dft.gsi.gov.uk Tel 0113 283 6677

Elizabeth Charlton
Head of Midlands and South West Engagement Team
Elizabeth.Charlton@dft.gsi.gov.uk Tel 0121 678 8726

Lee Sambrook
Head of South East and East Engagement Team
Lee.Sambrook@dft.gsi.gov.uk / 020 7944 2143

Or in writing to the address above.

For detailed questions about the guidance please contact:
Shane Snow shane.snow@dft.gsi.gov.uk Tel 020 7944 6120

68. Short listed authorities may be invited to DfT to give a presentation about their bid. Their bid teams should ensure they are available for presentations to take place between 6 and 21 May; successful applicants will be notified shortly afterwards in writing.

69. DfT will not be able to advise on the merits or otherwise of emerging proposals in the period up until submission of bids.

Department for Transport

February 2013

Annex A

Cities eligible to apply for Cycle Ambition Grants

City populations (2011 - thousands)

City
Wave 1
Birmingham
Leeds
Sheffield
Newcastle
Bristol
Liverpool
Manchester
Nottingham
Wave 2
Black Country
Bournemouth/Poole
Brighton and Hove
Cambridge
Coventry
Hull
Ipswich
Leicester
Oxford
Milton Keynes
Norwich
Plymouth
Portsmouth/Southampton
Preston
Reading
Southend
Stoke on Trent
Sunderland
Swindon
Tees Valley

Annex B

Using the World Health Organisation's Health Economics Assessment Tool (HEAT) for Walking and Cycling in LSTF Tranche 3

<http://www.heatwalkingcycling.org/>

HEAT is incorporated within the DfT's Transport Analysis Guidance (TAG Unit 3.14.1)² and its application by local authorities to active travel interventions is now recognized as increasingly valuable in capturing the quantifiable benefits of walking and cycling. The tool is designed to help conduct an economic assessment of the health benefits of walking and cycling by estimating the value of reduced premature mortality that results from specified amounts of walking and cycling as exercise. As a consequence of only including premature mortality and not also illness (morbidity) the tool is conservative in the estimates that it makes. While TAG does take some account of reduced absenteeism due to increased exercise through walking and cycling, WHO have suggested that the benefit may be double if reductions in illness were included.

The tool can be used for a number of different situations, for example: when planning a new piece of cycling or walking infrastructure to help to test the case for investment.

to value the reduced mortality from past and/or current levels of cycling or walking, such as a single route, as well as across an authority. It can also be used to illustrate economic consequences from a potential future change in cycling or walking use.

to provide input into more comprehensive economic appraisal exercises (such as large schemes which may impact on walking and cycling levels), or prospective health impact assessments.

Local Highway authorities should revisit TAG to ensure that they have fully taken account of Unit 3.14.1, not least because the evidence of the overall benefits consistently shows that many cycling interventions score very highly in terms of Benefit to Cost Ratios (ie over 4:1) and that as much as 70% of the overall benefit is derived from the health gains. For example, in the DfT assessment of the first six Cycle Demonstration Towns the 'physical fitness' benefit was 70.7%.³ For walking the 'physical fitness' benefit also tend to reach similar levels.⁴

² http://www.dft.gov.uk/webtag/documents/expert/pdf/u3_14_1-walking-and-cycling-120723.pdf

³ <http://www.its.leeds.ac.uk/aoss/12/cases.html>

⁴ <http://www.its.leeds.ac.uk/aoss/13/cases.html>