

**Transport and Environment Board**  
**Local Transport 2021/22 Programme Setting**

**Purpose of Report**

To present Board with a proposed process for setting the draft 2021/22 Integrated Transport Block and Highways Capital Maintenance Fund programmes and request advice on programme priorities.

**Thematic Priority**

Secure investment in infrastructure where it will do most to support growth.

**Recommendations**

That members of the Board:

- Agree to the proposed process for establishing the draft programmes and;
- Advise on thematic priorities for the investment through the draft programmes

**1. Introduction**

- 1.1** Currently the region receives an annual Local Transport Capital Block allocation from the DfT. This consists of two streams of funding, the Integrated Transport Block (ITB) and Highways Capital Maintenance Fund (HCM). These allocations have been received in the current format as a regional award since 2008 and provide a primary source of funding for delivering improvements in the local transport network.
- 1.2** The allocations for ITB are defined by DfT using thematic data specific to each region. The exact data values used are not published by the Department but the themes are public transport (passenger journeys originating within the area), accessibility (car ownership and the Index of Multiple Deprivation), air quality (number of Air Quality Management Areas), road safety (casualty statistics), congestion (based on workday population) and carbon (transport based carbon dioxide emissions).
- 1.3** HCM is defined by the department using criteria specific to each individual authority within the region. This looks as the scale of highways assets including road length, number of structures, number of lighting columns and also uses a self-assessment process, known as the Incentive Element, where each authority reviews asset condition and the governance in place to deliver their asset management programme.
- 1.4** The funding is not ring-fenced by DfT and the grant conditions are light, the only two that need to be met are that the expenditure is capital and the accountable body provides an annual declaration to confirm that this has been adhered to. This enables recipient authorities to identify the most appropriate use in line with local policies.

**1.5** 2020/21 is the final year of the current six-year settlement period for the Local Transport Capital Block Allocation. Following the Spending Review published in November there has been some clarity on future funding provided by DfT however to date they have not confirmed exact processes or allocations. This delay in advising on funding could impact on the ability to deliver local transport projects from the start of the new financial year so this report provides a proposal for progressing programme development and minimising the risk from this delay.

## **2. Proposal and justification**

- 2.1** The proposal is that the programme setting process is undertaken now, based on the information that DfT have provided to date, and then if necessary the programmes are adapted in line with any changes to allocations or grant conditions once confirmed. This will enable an agile response if DfT have any new expectations and a swift implementation of activities at the start of the new year
- 2.2** ITB has been used by the four South Yorkshire Local Authorities and SYPTE (the partners) to deliver high volume, low cost projects and interventions to address operational management priorities and developing needs on the local transport network. These are smaller scale interventions which would not meet the criteria for funding through any other sources, for example junction improvements, crossing upgrades, installation of cycle parking facilities and electric vehicle charging points, public transport priority measures, bus bay relocation and safety improvements at road casualty locations.
- 2.3** This fund also delivers the schemes that help Highway Authorities meet their statutory duties, provide the solutions to community requirements and address the issues that are most relevant to local stakeholders. The aggregated value of all these project gains is substantial and the importance of having a well-managed network to underpin the region's strategic investments is significant. This is the only discretionary fund which is available and so the only option for delivery of these 'everyday' actions required to manage the efficient operation of the network
- 2.4** In previous years the following process has been applied to programme setting:
- Partners are advised of an indicative allocation from the annual settlement
  - Each partner proposes projects which meet their individual organisational needs
  - These projects are assessed centrally to ensure that they align with the agreed Sheffield City Region Transport Strategy goals and policies
  - Projects are also now assessed for contribution to the four transport implementation plan themes: Active Travel, Rail, Road and Public Transport
  - Further peer review of proposals is undertaken through Strategic Transport Group whose membership consists Heads of Service or equivalent officers from the partners and Sheffield City Region MCA Executive
  - The draft programme is escalated to Transport Officers Board, comprising Executive Directors from the four Local Authorities, the PTE and the MCA Executive team for approval
  - The draft programme enters the MCA Governance process and is passed to SCRCA Finance for inclusion in the annual Capital Programme Reporting
  - Final Member scrutiny and approval or challenge is provided through the full Mayoral Combined Authority
  - Partners take the respective parts of the programme through their own internal cabinet approvals process, or equivalent, ahead of implementation
- 2.5** The ITB output from this has been a programme which meets the local priorities and also provides a range of contributions to the current regional thematic priorities. For

example, the total programme spend in 2019/20, including funding brought forward, was £9.165m across 48 projects, all within the categories used by DfT. Of this spend £2.208m contributed to the Active Travel implementation theme, £2.079m the Strategic Transit Network and £4.878m Roads.

- 2.6** The range of schemes was broad, examples included reconstruction and upgrade of Laites Lane junction in Barnsley, scheme design and match funding for the Bennethorpe TCF cycling infrastructure in Doncaster, traffic signal amendments at the A57 Anston crossroads in Rotherham, installation of 20mph zones in Wincobank and Hurlfield in Sheffield and the PTE led refurbishment of Rotherham Interchange.
- 2.7** The expected settlement for 2021/22 is a continuation of the levels allocated for the duration of the current settlement period, £8.428m. This has been estimated based on the national ITB allocation referenced in the Spending Review of £260m which is £2m more than the current period's national allocation.
- 2.8** Board members are asked to approve the process as identified in paragraph 2.4 and are also asked to advise at this stage on the thematic or other priorities which should be applied to this programme.
- 2.9** HCM is the core funding source used to maintain all of the highway assets in Barnsley, Doncaster and Rotherham. During 2012/13 Sheffield City Council implemented the PFI Highways scheme, since this date all SCC's highways maintenance requirements have been met through this and they therefore have not been eligible for HCM funding.
- 2.10** The allocation is used by the recipient authorities to carry out maintenance activities primarily under five main categories of work, carriageway re-surfacing, footway improvements, bridges/structures, street lighting, and pothole repairs. The authorities develop and prioritise their work through an ongoing programme of asset condition assessment. This enables them to identify emerging issues and flexibly deploy their resources to address the most important issues.
- 2.11** This flexibility of activity is particularly important in times of extreme weather as this can have a significant, immediate effect on asset conditions as has been most notably seen with flooding in recent years.
- 2.12** In 2019/20 the total HCM programme spend including carry forward was £14.791m. This included £1.198m of principal road resurfacing in Barnsley, £978k of bridge repairs in Doncaster and repair of winter damage to three roundabouts in Rotherham at a cost of £233k plus a further £523k spent on essential bridge repairs.
- 2.13** The well managed highways approach and best practice applied to HCM activities has maximised the capital allocations received from DfT. The top grading awarded to the region through the Incentive Element in 2020/21 added an extra £1.474m to the settlement compared to the next grade.
- 2.14** Information on the 2021/22 allocation is limited so for the purposes of programme setting it is suggested that a continuation of last years total allocation is used, this was £12.219m. As with ITB the DfT don't provide the base data used to calculate HCM but they have broken the regional award down into specific local authority amounts, these would be £3.69m for BMBC, £4.91m for DMBC and £3.619m for RMBC. Against these the authorities would plan their forward work programmes to then be taken through the same assessment and escalation process as ITB, leading to inclusion in the MCA approval process.
- 2.15** The importance of HCM investment has been demonstrated by the allocation of additional funding from government as part of the Covid response activities during

2020. This additional funding was a significant amount however the regional backlog of maintenance requirements on the network exceeds this many times over and is calculated in terms of hundreds of millions so the extra funding does not diminish the need for continued maintenance resource.

- 2.16** Board are asked to approve the suggested process for developing the HCM programme and for the detail of how this is deployed to continue to be defined based on the authority led, ongoing network evaluation activities.
- 2.17** Actions have already been undertaken to enable swift implementation if granted and enable completion of these processes in time for the MCA reporting cycle.

### **3. Consideration of alternative approaches**

- 3.1** A competitive process could be applied whereby each individual project proposal was assessed and entered into the programme individually. This approach is not recommended as the local priorities of partner organisations are best determined locally. The subsequent process of assessing the programmes for strategic fit ensures compliance with the regional goals and policies whilst allowing each respective authority to retain ownership of often small, local interventions.

### **4. Implications**

#### **4.1 Financial**

There are no implications directly arising from this report. Development of draft programmes in preparation would not require any further financial commitment and if the programmes are adopted they would not obligate any additional regional funding.

#### **4.2 Legal**

None directly arising. All activities will be conducted in accordance with the grant conditions and this will be ensured through the annual declaration process which requires all recipient organisations to provide a statement back to MCA.

#### **4.3 Risk Management**

The process identified concludes with a submission to MCA so all approval processes will be adhered to. Once in implementation progress would be reported back to Board and through this regime risks identified and managed.

#### **4.4 Equality, Diversity and Social Inclusion**

Equality, Diversity and Social Inclusion is actively considered in the design of all local authority transport projects.

### **5. Communications**

- 5.1** None directly arising from this report.

### **6. Appendices/Annexes**

- 6.1** None

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: n/a