

4th March 2021

Draft Local Transport Programmes 2021/22

Purpose of Report

To present the draft 2021/22 Integrated Transport Block and Highways Capital Maintenance Fund programmes and request approval to submit these for inclusion in the March MCA Capital Programme report subject to further revisions of schemes following confirmation of the SCR MCA allocation.

Thematic Priority

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

Recommendations

That members of the Board:

- Approve the draft Integrated Transport Block and Highways Capital Maintenance programmes for inclusion in the Capital Programme submission to MCA subject to further revisions of schemes following confirmation of the SCR MCA allocation

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.

2. Proposal and justification

- 2.1 At January's Transport & Environment Board the paper identifying the process for setting the draft ITB and HCM papers was approved. This process has been completed and the proposed draft programmes are appended to this report. Board are asked to approve these for inclusion in Finance's Capital Programmes paper due for submission to MCA in March noting that this is subject to change following recent confirmation from the DfT of the MCA funding allocation.
- 2.2 The total national ITB allocation for 2021/22 has been confirmed in the Spending Review as being £2m more than the current value (£260m) and the DfT representative has stated they are not aware of any changes to the formula which defines how this is distributed. DfT have subsequently advised the SCR settlement to be £8.493m (+£65k on previous years). The programme setting has so far been based on a continuation of a similar allocation for Sheffield City Region.
- 2.3 ITB is used to deliver schemes which satisfy local transport needs and priorities. It is delivered as a single fund and not disaggregated into individual pots, this enables us to flexibly deploy the funding to meet fluctuating needs and provide the best investment for the region.
- 2.4 Each partner organisation has developed a provisional set of schemes within this programme in line with their local priorities and the LTP Team have reviewed these against the SCR Local Transport Strategy and the Mayoral commitments. The current version of the programme, attached as Appendix A, lists the projects, indicative allocations, summary details of what the project is and identifies the implementation themes, commitments, policies and goals which the activities contribute to.
- 2.5 This draft has been presented for discussion at South Yorkshire Transport Delivery Group, Strategic Transport Group and Transport Officers Board to give all partners the opportunity to review each other's plans. The individual organisations' internal approval processes have not yet been completed, this will take place during the early months of 2021.
- 2.6 HCM values for 2021/22 were recently confirmed and are an overall increase of circa £3.5m. The HCM Needs has been reduced by 31% and the Incentive has gone down by 17%, but this is offset by the pothole funding. Last year's total maintenance settlement, excluding the two Challenge Fund allocations granted during the year, was £12.219m, this year's combined total is £15,692,000.
- 2.7 In order to qualify for the Incentive element of funding local highways authorities have to complete and submit a self-assessment by 5th March. This is to demonstrate that efficiency measures are being pursued. Each authority will score themselves against questions provided by the DfT and place themselves into one of **3 Bands** on the basis of the available evidence. Funding will be allocated based on these scores and will be relative to the amount received through the needs-based funding formula. In 2021/22, only authorities in Band 3 will receive their full share of the £125 million, whilst authorities in Band 2 will receive 30% of their share, and Band 1 will receive no funding at all.
- 2.8 As with ITB the approach taken for HCM programme setting has been to assume a continuation of last year's arrangements pending confirmation of anything different from DfT and then adapt accordingly. The draft programme has therefore been based on a settlement of £12.219m, distributed across the three recipient authorities in accordance with the outcome of DfT's existing formula: BMBC £3.690m, DMBC £4.910m and RMBC £3.619m. Following confirmation of allocations, revisions are now being worked on with Asset Managers.

- 2.9** Authorities deploy their maintenance funding across categories of work including resurfacing of carriageways, footways and cycleways, surface dressing, bridge maintenance and street lighting repairs and replacements.
- 2.10** The condition of the highways assets is continually evolving so authorities assess the network on an ongoing basis to ensure their forward work plan is deployed in the right priority areas and is addressing the locations or items in most need of attention. Lists of items from the forward plan are issued to designers to carry out site investigations and determine extents of works required and the most appropriate method of repair. Due to this potential for regular change the authorities are not asked to provide a breakdown of specific interventions as keeping this information updated would be an onerous task with limited benefit.
- 2.11** The draft programme, outlining the planned allocations by maintenance theme, is attached as Appendix B. This has been agreed with the Asset Management and Maintenance group, the membership of which includes the Asset Manager from each local authority and has been presented to Transport Officers Board for review.
- 2.12** The next stage will be to present both draft programmes to Finance for inclusion in the March MCA Capital Programmes paper with the aim of getting full approval prior to implementation starting in the new financial year. Board members are asked to note that agreement of the specific programme is subject to change following recent confirmation from the DfT of the MCA funding allocation.

3. Consideration of alternative approaches

- 3.1** The option of waiting for allocations and conditions to be confirmed by DfT was not considered suitable as there was no certainty over when these would be provided. Leaving it until they are created a significant risk that the programmes would not be developed in time for inclusion in the annual capital programme paper. This would then have required a separate approval to be submitted to MCA and led to a delay in being able to implement any of the projects.

4. Implications

4.1 Financial

If programmes are not put in place to deliver against the allocations, there is a risk that funding will go unspent.

In order to allocate the Incentive element of the HCM each authority will score themselves in a questionnaire to be submitted to the Department and place themselves into one of **3 Bands** on the basis of the available evidence. The DfT will not necessarily want to see the supporting evidence from every local highway authority, although it does reserve the right to undertake sample audits. It will however be the responsibility of the Section 151 Officer at each local authority to ensure that they are satisfied that the evidence is sufficient for him/her to sign off the overall submission and total score.

4.2 Legal

All programmes will be delivered to the grant conditions stipulated by DfT in the settlement documents. ITB and HCM are not currently covered by formal SCR Funding Agreements and will continue to be governed and reported through the Local Transport Partnership programme management regime.

4.3 Risk Management

Project and programme risks are managed through the partnership programme management regime and reported through Strategic Transport Group. From this reporting can be escalated to Transport Officers Board and Transport and Environment Board.

The incentive funding element of the Highways Capital Maintenance Fund will be awarded to each local highway authority based on their score resulting from their self- assessment questionnaire and will be relative to the amount received through the needs-based funding formula. In 2021/22, only authorities in Band 3 will receive their full share of the £125 million, whilst authorities in Band 2 will receive 30% of their share, and Band 1 will receive no funding at all. This remains a risk until Government confirms the MCA award. Authorities that do not complete the questionnaire by the 5th March deadline will receive no award.

4.4 Equality, Diversity and Social Inclusion

Equality, Diversity and Social Inclusion has been actively considered in the design of all projects within these programmes.

5. Communications

5.1 None directly arising from this report.

6. Appendices/Annexes

6.1 Appendix A – ITB Draft 2021/22 Programme
Appendix B – HCM Draft 2021/22 Programme
Appendix C – DfT HMB ITB Pothole Fund Funding Allocations 21-22

Report Author Alex Linton
Post LTP Programme Manager
Officer responsible Mark Lynam
Organisation Sheffield City Region
Email mark.lynam@sheffieldcityregion.org.uk
Telephone 0114 220 3445

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