

TRANSPORT BOARD

15th JULY 2019

CENTRALLY MANAGED LOCAL TRANSPORT PROGRAMMES

Purpose of Report

To provide Transport Board with an overview of the centrally managed local transport programmes currently being delivered through the four South Yorkshire local transport authorities and SYPTA and to outline the current key actions which may require more detailed presentation to Transport Board in the future.

Freedom of Information

Freedom of Information and Schedule 12A of the Local Government Act 1972

'The paper will be available under the Combined Authority Publication Scheme'

Recommendations

Board members are asked to:

- Note the update on how the South Yorkshire local transport programmes are funded and managed.
- Agree to receive a further report at the next Transport Board on the outcome of the review of the Integrated Transport Block (ITB).
- Note the need to find alternative funding to continue programmes currently funded by the Sustainable Travel Access Fund (STAF).

1. Introduction

- 1.1** This report updates on the current status of the three centrally managed South Yorkshire local transport programmes; Integrated Transport Block (ITB), Highways Capital Maintenance (HCM) and Sustainable Travel Access Fund (STAF).
- 1.2** ITB is a single capital allocation used by the four South Yorkshire local authorities and SYPTA (the partners) to deliver high volume, low cost projects and interventions to address operational management priorities and developing needs on the local transport network. HCM is paid as a capital grant to BMBC, DMBC and RMBC for the maintenance of their respective transport network and assets and STAF is a three-year programme of revenue-based activities to support active travel investment and travel mode behaviour change in South Yorkshire.

2. Proposal and justification

- 2.1** The 2019/20 annual settlement for ITB is £8.428m, this is the fifth year of a six-year settlement period. The annual ITB programme for 2019/20 was approved by the Mayoral Combined Authority (MCA) at the January 2019 meeting as part of the South Yorkshire

Transport Revenue Budget & Capital Programme 2019/20 report. In line with the MCA's financial regulations, any proposed variations to the capital programme must be approved by the MCA.

- 2.2** ITB grant conditions enable the fund to be used flexibly to respond to the evolving needs of the local transport network, one of these flexibilities is that the settlement does not have to be spent within the financial year. This has allowed the partners to prioritise other funding streams, such as LGF, where there is higher pressure from set deadlines which must be met in order to retain the funding levels or meet commitments made.
- 2.3** This prioritisation of other sources has contributed to a carry-forward of unspent allocation of £2.1m from previous years, this deferral was approved at the June 2019 MCA meeting. In addition, SYPTE hold £1.4m of unapplied ITB in their own balance sheet.
- 2.4** The ITB is used to focus on the smaller scale interventions which would not meet the criteria for funding through any other sources, for example signal and crossing upgrades, signing and lining improvements, installation of cycle parking facilities and electric vehicle charging points, footway improvements, bus bay relocation and safety improvements at road casualty locations. This is the only discretionary fund which is available to partners and so the only option for delivery of these 'everyday' actions required to manage the efficient operation of the transport network and enable a greater level of responsiveness as required.
- 2.5** Ahead of submitting the programme to the MCA, each of the partners identified projects to address the current needs of their area of the network. These projects were then reviewed to ensure that they contribute to achieving the goals and policies of the new Transport Strategy and through this the commitments of the MCA.
- 2.6** The total 2019/20 settlement for HCM is £12.219m, this total is higher than had been projected when establishing the draft programme (£11.901m) as the settlement letter included £318,000 more than expected. The draft programme based on projected settlement for this allocation was also included in the capital programme paper approved by MCA in January 2019. The funding is primarily used across five categories of activity; highway maintenance, footways, bridges, street lighting and pothole repair, with interventions defined and prioritised based on an ongoing network and asset evaluation process.
- 2.7** The HCM settlements were preceded by a communication from DfT which identified the breakdown of annual settlements across the period 2015-2021, this advises the following 2019/20 allocations for each of the recipient authorities; £3.908m to BMBC, £5.197m to DMBC and £3.837m to RMBC.
- 2.8** HCM is provided under the same flexible conditions as ITB and so does not have a requirement for full spend within the year. During 2018/19 DfT granted an additional £5.571m to the region which did require full in-year spend and so the delivery of HCM spend was given a lower priority. This resulted in a deferral of £1.449m from the 2018/19 settlement and a total deferral of £3.137m into 2019/20, MCA approval for this was also granted in June 2019.
- 2.9** Due to the scale of reduction in maintenance funding over the years, the national backlog of maintenance works runs to billions of pounds. This means the scale of work required in the region far exceeds the funding available and so networks are continually assessed to target activities to the most relevant locations. In recent years DfT have enhanced these programmes with additional ad hoc settlements but currently there is no indication that there will be any of these this year. The local authorities also support resolution of maintenance issues with additional funding to drive specific local programmes.

- 2.10** The STAF allocation was awarded by DfT following a competitive bidding process in 2016. The programme delivery period covers three years from 2017/18 to 2019/20 with a fixed annual allocation of £2.5m.
- 2.11** This programme builds on the region's local sustainable travel programmes which have been undertaken since 2011 through a series of successful competitive bids to DfT. The submission consisted of multiple projects grouped under ten investment themes; engaging with local businesses, boosting people's interest and skills in cycling, EcoStars fleet recognition scheme, events and promotion of active travel opportunities including public transport, in-school projects, training to boost individuals' independence, bus services connecting to specific job opportunities, safer roads led projects, boosting people's interest in walking and the continuation of our Wheels to Work programme.
- 2.12** The first two years have been successfully delivered, the full allocation available has been utilised and individual project performance has exceeded original projections. The programme's third and final year is in delivery.
- 2.13** By this stage of DfT's previous sustainable transport award periods they have presented opportunities to continue to receive funding through new competitions. This year however there is no successor programme on offer and so DfT funding for active travel revenue projects comes to an end in March 2020. The scarcity of other revenue funding means that there is not a local alternative currently available and so the programme and projects within will come to an end.
- 2.14** This expiration of funding causes a range of concerns given the greater focus on active travel following the appointment of Dame Sarah Storey as the Active Travel Commissioner. If some of these programmes didn't continue, this would result in a loss of skills and experience from within the region and the need for our capital investment ambitions to be supported with an educational programme. Further, there is a significant risk of reputational damage if revenue funding is unavailable to make best use of any capital investments. Finding an opportunity to continue work of this nature is therefore important.
- 2.15** The three programmes are managed on behalf of the partners by the LTP Central Team who provide an independent service with no priority towards any individual partner. Although they are employed on SYPTE terms and conditions direct line management is provided by SCC's Head of Strategic Transport and Infrastructure as the representative of the partners. Advice on priorities and operational actions for the team is provided by the Strategic Transport Group (STG), decision making responsibility is held by SCR/PTE Executive Board (EB) who in turn are accountable to Transport Board and the MCA.
- 2.16** The LTP Team manage programme delivery and risks for all three funds on an ongoing basis including an agreed schedule of quarterly reporting through to STG and EB, the 2019/20 first quarter update is due for reporting to July's meetings. A review of the 2019/20 ITB programme was commissioned at the EB meeting in May, this will consider the suitability of the current programme activity and determine if there is any benefit in, or capacity to, re-allocate funding from within the programme. A report on this review is due to be presented to EB's next meeting in July, following this a further update will be provided to Transport Board.

3. Consideration of alternative approaches

- 3.1** The revenue activities being delivered through STAF could be terminated when the funding expires, and no successor funding sought. This is not recommended as it would negatively impact the benefits delivered through the planned capital investments and reduce the region's existing skill and knowledge base.
- 3.2** Transport Board could advise that the ITB review is not reported back however this could result in opportunities being missed to inform options for improving the performance of the

allocation.

4. Implications

4.1 Financial

ITB review

The MCA is the accountable body for all three funding streams noted in this report, and is therefore subject to review by Internal Audit, the Head of which signs off an annual declaration to DfT and undertakes periodic reviews of the South Yorkshire Transport Capital Programme.

The latest review of the South Yorkshire Transport Capital Programme by Internal Audit resulted in a limited assurance opinion, including 6 recommendations, 4 of which were classified as significant. Amongst these was a recommendation that all reports relating to ITB and HCM that are presented to South Yorkshire Transport Delivery Group, STG and Executive Board should provide for greater transparency and consistency in the level of detail provided.

The scope of the ITB review commissioned by EB should therefore take this recommendation into account.

STAF

As noted in the main body of the report, STAF ceases in March 2020. If Transport Board members are minded to support further exploration of successor funding, it is recommended that they commission a mid-programme review to assess the outputs and outcomes of STAF over the first 2 years. The conclusions from this review could then be used to inform future financial planning decisions as part of the Medium Term Financial Strategy which is scheduled to be presented to the MCA in November 2019.

4.2 Legal

For the STAF programme each recipient organisation has an SCR Funding Agreement in place. ITB and HCM do not have formal legal agreements however payments are only made when SCRCA Finance validation processes have been satisfied.

4.3 Risk Management

The programmes referenced are all managed through the local transport programme management governance structure which requires the ongoing monitoring and reporting of risks through to EB.

4.4 Equality, Diversity and Social Inclusion

Equality, diversity and social inclusion legislation and duties have been included in development of all the projects within the local transport programmes.

5. Communications

5.1 Programme delivery is communicated through the schedule of reporting to STG, EB and Transport Board, where appropriate issues are reported by exception to the same groups.

6. Appendices/Annexes

6.1 Appendix A - Centrally Managed Local Transport Programmes - Summary of Activities 2019/20

REPORT AUTHOR **Alex Linton**
POST **SYLTP Programme Manager**
Officer responsible Mark Lynam
Organisation **Sheffield City Region**
Email **mark.lynam@sheffieldcityregion.co.uk**
Telephone **0114 2203445**

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: