

REPORT TO CABINET

18 April 2018

Subject:	Local Transport Settlement 2018/19 – Sandwell Allocation
Presenting Cabinet Member:	Councillor Paul Moore – Cabinet Member for Regeneration and Economic Investment Councillor David Hosell – Cabinet Member for Highways and Environment
Directors:	Executive Director - Neighbourhoods - Dr Alison Knight Executive Director - Resources - Darren Carter
Contribution towards Vision 2030:	
Key Decision:	Yes
Forward Plan (28 day notice) Reference:	SMBC09/03/2018
Cabinet Member Approval and Date:	Councillor Paul Moore – 22.03.2018 Councillor David Hosell – 22.03.2018
Director Approval:	Dr Alison Knight
Reason for Urgency:	Urgency provisions do not apply.
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Ward councillors have not been consulted
Scrutiny Consultation Considered?	Scrutiny have not been consulted
Contact Officer(s):	Andy Miller – Strategic Planning & Transportation Manager andy_miller@sandwell.gov.uk Robin Weare – Services Manager, Highways robin_weare@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet:

1. Notes the details of the allocation of resources, as approved by the West Midlands Combined Authority on 9th March 2018 for Integrated Transport and Local Highway Maintenance Block funding.
2. Approves the following programme of minor works, highways, bridges and street lighting maintenance works for 2018/19 (some maintenance figures are subject to DfT confirmations);

Minor Works Programme	Funds 2018/19 £'000s
Major Schemes Development (Ring Fenced)	220
Local Area Safety Schemes	115
Local Safety Schemes	150
Safer Routes to School	125
Vulnerable Users	250
Demand Management	100
Traffic Calming	100
Major Route Signing	60
Named Schemes Over £250k.	360
Total	1480

Maintenance Programme	Funds 2018/19 £'000s
Carriageway Maintenance – Needs Formula	1936
Carriageway Maintenance – Incentive Fund	538
Carriageway Maintenance – Challenge Fund	0
Carriageway Maintenance – Pothole Action Fund	<i>TBC</i> 380
Bridges – Needs Formula	516
Street Lighting – Needs Formula	130
Total	3500

1 PURPOSE OF THE REPORT

- 1.1 This report details the local transport resources allocated to the Authority for 2018/19 along with future allocations for the period 2019/20 to 2020/21. The funds allocated from the local transport settlement comprise the majority of the Council's capital programme of minor works and highway and bridge maintenance.
- 1.2 Approval is sought for the allocation of funds to specific categories of projects.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 This decision will contribute towards the delivery of the Council's ambition 1, 5, 6 and 7. The LTP settlement contributes to safe and efficient roads for local people and visitors, the health benefit of sustainable travel, public transport links and improved access to jobs.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The Integrated Transport and Maintenance block funding allocations are the principal sources of funding available to local highway authorities for minor highway works, and highway and bridge maintenance (including street lighting) on the principal road network.
- 3.2 Nationally the amount of Integrated Transport Block (ITB) funding allocated to local authorities has been fixed at £258m per annum since 2015/16 and will remain at this level until 2020/21. This followed a decision to "top slice" £200m annually from the national pot which is allocated to the Local Growth Fund (LGF). Local Enterprise Partnerships bid for these funds through their growth deal negotiations on a competitive basis whereas ITB is allocated to local authorities by formula.
- 3.3 Since April 2011 the Integrated Transport and Maintenance blocks in metropolitan areas are allocated to those area's Integrated Transport Authorities (ITAs). In the West Midlands the ITA function was incorporated into the West Midlands Combined Authority (WMCA) on its formal inception in June 2016. As a result these allocations form part of the Devolved Transport Grant which was confirmed by Government in March 2016. The allocations for the West Midlands metropolitan area since March 2011 are shown in the table below.

Year	Integrated Transport (£000s)	Maintenance (£000s)
2011/12	24,930	16,142
2012/13	26,592	15,899
2013/14	26,592	15,583
2014/15	37,395	14,251
2015/16	17,618	16,295
2016/17	17,618	14,938
2017/18	17,618	14,486
2018/19	17,618	13,112
2019/20	17,618	13,112
2020/21	17,618	13,112

- 3.4 The Integrated Transport Block allocations 2015/16 to 2017/18 along with indicative allocations for 2018/19 to 2020/21 were originally issued to the West Midlands ITA by the Department for Transport on 4th August 2014. £17.618m per annum was allocated for each of the six years covered by the settlement. Maintenance Block allocations were subsequently announced by the DfT on 23rd December 2014.
- 3.5 In the West Midlands the ITA function was incorporated into the West Midlands Combined Authority on its formal inception in June 2016. As a result these allocations form part of the Devolved Transport Grant which was confirmed by Government in March 2016.
- 3.6 This report provides further details of the settlement as it relates to this Authority and outlines a provisional programme of Minor Works for 2018/19.
- 3.7 Major schemes (those over £5m) are not included in the Local Transport Settlement as these are dealt with separately. From 2015/16 onwards, Major Scheme funding has been channelled through the Local Enterprise Partnerships, either as devolved allocations to Local Transport Bodies, or as part of the Local Growth Fund allocations. In future years such schemes may also be included in devolution deals negotiated with the West Midlands Combined Authority.
- 3.8 The individual programme categories set out in the recommendations are mostly self-explanatory. However, it should be noted that the 'Vulnerable Users' category includes funding for measures to assist walking, cycling and facilities for the disabled. The 'Demand Management' category includes a sum of £50k for schemes identified through the Neighbourhood Forums. Details of individual schemes will be reported to the Cabinet Member for Highways & Environment and/or the Cabinet Member for Regeneration & Economic Development for approval as necessary. The 'Named Schemes Over £250k' category is intended to fund larger projects such as junction improvements. Details of such schemes will be reported individually as appropriate.

4 THE CURRENT POSITION

- 4.1 The allocation to the West Midlands metropolitan area for the forthcoming year is £30.73m; of this sum, £17.618m has been allocated for Integrated Transport and £13.112m for local Highway Maintenance Block funding.
- 4.2 The annual figure for IT Block will remain at a historically low figure of £17.618m for the remaining years of the current spending round, a sum of around 34% lower than the £26.592m allocated in 2013/14.

- 4.3 From the West Midlands allocation, a 'top-sliced' figure of £0.090m is allocated for joint initiatives. This figure is unchanged from the previous three years. £4.382m has been allocated to Transport for West Midlands (TfWM) which represents a 75/25 funding split between the Districts and that allocated to TfWM. The latter is used to fund its minor works programme. The remaining ITB is distributed to the LAs on a per-capita basis resulting in a Sandwell allocation of £1.480m.
- 4.4 A key challenge across the WMCA area is the ability to provide initial development funding to undertake feasibility and strategic business case preparation for schemes that are emerging through the Movement for Growth 10 Year Delivery Plan. In order to facilitate this, the WMCA Board approved a proposal to ring fence 15% of ITB allocations to support development and delivery activity. This ring fence has been applied to individual Local Authority and TfWM allocations from 2017/18 through to 2020/21. For Sandwell this translates to a figure of £220k.
- 4.5 The historically low ITB allocations combined with the major scheme development ring fence presents an ongoing challenge to developing an effective programme of works. The minor works programme set out in this report's recommendations seeks to mitigate the impact on the 'safety schemes' and 'vulnerable users' categories. The consequence of this is that the Authority will continue to have very limited resources with which to carry out larger schemes such as junction capacity improvements in the £250k plus bracket which were a regular feature of the ITB programme in the years prior to April 2015. Since then projects of this nature are included in the 'Access to Growth' element of the Black Country LEP's Strategic Economic Plan. As a result they form part of the LEP's Local Growth Fund allocations and as such are subject to competitive bidding.
- 4.6 Local Highways Maintenance Block Funding is, as with ITB, allocated to the WMCA. Since 2015/16 this is made up of the following elements; Needs-Element, Incentive/Efficiency Element, Challenge Fund and Pothole Action Fund.
- 4.7 Based on the Highway Maintenance Block Needs Formula the total WMCA allocation is £13.112m of which the Council's allocation is £2.582m.
- 4.8 Nationally the Incentive element funding totals £578m to be allocated over the period 2016/17 and 2020/21. This funding is to reward local authorities who can demonstrate they are following an asset management approach and adopting efficiency and best practice principles for local highway maintenance. The funding is a mechanism for authorities to receive additional funding over and above the Needs Based Formula allocations.

Allocations are based on submission of self-assessment questionnaire to the Department for Transport in which authorities place themselves in to one of three bands. In 2018/19 only authorities in Band 3 will receive the full share of the allocation, whilst authorities in Band 2 and 1 will receive 70% and 30% of their share respectively. However, in 2017/18 authorities who are part of a devolution deal area received the maximum funding allocation automatically but were still required to submit the self-assessment questionnaire to show they are following good practice and applying sound asset management principles. Indications are that this will be the case in 2018/19 and on this assumption the council's expected Incentive Element allocation is £538,000.

- 4.9 There is an on-going commitment, arising from the conditions of previous Challenge Fund approvals, to spend most of the LTP capital funding allocations on classified roads for the next 3 years. In 2018/19 this represents £1,652,000 of the £1,936,000 carriageway needs formula that must be spent on classified roads.
- 4.10 The Pothole Action Fund was announced in the Budget in 2015 and totals £250m to repair potholes or stop them forming in the first place. The funding is allocated by formula and shared by authorities between 2016/17 and 2020/21. The council's allocation in 2018/19 is still to be confirmed but is anticipated to be in the region of £350,000 to £400,000.
- 4.11 Sandwell's allocations for 2018/19, including additional allocations for maintenance, are shown in the table below compared to the previous four years' allocations.

Sandwell Allocation	2014/15 's	2015/16 's	2016/17 's	2017/18 £000s	2018/19 £000s
Integrated Transport	2,499	1,484	1,483	1,482	1,480
Maintenance Block - Needs-based	3,080	3,209	2,942	2,853	2,582
Additional Maint. Allocation	859	N/A	N/A	N/A	N/A
Maintenance - Incentive Fund Allocation	N/A	N/A	180	267	538
Maintenance - Challenge Fund Allocation	N/A	2,529	3,230	1,540	0
Maintenance – Pothole Action Fund	N/A	N/A	160	225	TBC 380

- 4.12 A report outlining the District allocations for Integrated Transport and Maintenance Block was approved by the West Midlands Combined Authority Board on 9th March 2018.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Individual schemes funded from IT Block and Maintenance Block are subject to their own consultation process as part of their development.

6 ALTERNATIVE OPTIONS

- 6.1 None

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 These are principally contained within the body of the report. However it should be noted that the allocations of Local Highways Maintenance Block contained in the recommendation at 2 may change if circumstances arise requiring reallocation of funding to manage unforeseen immediate risks across asset classes (carriageways, pavements, bridges, lighting and traffic signals).

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 Since the publication of Local Transport Act 2008 it is a statutory requirement of Integrated Transport Authorities to produce a Local Transport Plan (LTP) to develop policies relating to all aspects of transport, with close collaboration with surrounding Authorities. The ITA function in the West Midlands is exercised by the West Midlands Combined Authority which has resolved to allocate Integrated Transport and Maintenance Block resources to district councils as outlined in the WMCA Board report of 9th March 2018. The Sandwell minor works and maintenance programme contributes to achieving the targets and objectives, which are set out in the current local transport plan, 'Movement for Growth', which was approved by the WMCA on 10th June 2016.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 The financial allocations outlined above form part of the overall West Midlands allocation that supports the West Midlands Strategic Transport Plan known as Movement for Growth which replaced LTP3 in June 2016. This has been subject of a full Equality Impact Assessment carried out by the TfWM as part of the plan's formulation. The individual projects/work packages that make up Sandwell's 2018/19 programme of minor works and maintenance will be subject of individual Equality Impact Assessments as they are bought forward for approval.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 There are no data protection implications resulting from the course of action recommended in this report.

11 CRIME AND DISORDER AND RISK

11.1 LTP allocations to maintain street lighting contribute to reducing crime in hours of darkness.

12 SUSTAINABILITY OF PROPOSALS.

12.1 LTP allocations to maintain and improve the highway contribute to a sustainable road network and sustainable transport options.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 It is increasingly recognised that an appropriately managed and maintained and up to date road network is needed to support significant economic growth and the associated social well-being benefits. To maximise the benefits of economic investment programmes requires not only investment in new road infrastructure but also investment in maintaining and managing our existing infrastructure. The LTP settlement will also contribute to sustaining the legacy of investment programmes that will deliver 2030 ambitions.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR

14.1 Highway maintainable at public expense. LTP allocations will help deliver the aims and objectives as set out in the Highway Asset Management Policy, Strategy and Plan.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 This report seeks approval to the programme of works outlined in the recommendations. Details of individual schemes will be reported back to the appropriate Cabinet Member(s) for approval in due course.

16 BACKGROUND PAPERS

16.1 Report to the West Midlands Combined Authority Board 9th March 2018.

17 **APPENDICES:** None

Dr Alison Knight
Executive Director – Neighbourhoods