


REPORT TO CABINET

6 May 2020

Subject:	Local Transport Settlement 2020/21 – Sandwell Allocation
Presenting Cabinet Member:	Councillor Jackie Taylor - Cabinet Member for Sustainable Transport
Director:	Executive Director – Resources – Darren Carter Interim Director – Regeneration and Growth – Tammy Stokes
Contribution towards Vision 2030:	
Key Decision:	Yes
Cabinet Member Approval and Date:	Yes
Director Approval:	Yes
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Boroughwide
Scrutiny Consultation Considered?	Scrutiny consultation has not been undertaken
Contact Officer(s):	Andy Miller Strategic Planning & Transportation Manager andy_miller@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet:

- Notes the details of the allocation of resources, as confirmed by the West Midlands Combined Authority in January 2020 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 2020/21;

Minor Works Programme	Funds 2020/21 £
Major Schemes Development (Ring Fenced)	220,000
Local Area Safety Schemes	115,000
Local Safety Schemes	150,000
Safer Routes to School	125,000
Vulnerable Users	250,000
Demand Management	100,000
Traffic Calming	100,000
Major Route Signing	60,000
Named Schemes Over £250k.	356,000
Total	1,476,000

Maintenance Programme	Funds 2020/21 £
Carriageway Maintenance – Needs Formula	1,936,000
Carriageway Maintenance – Incentive Fund	538,000
Carriageway Maintenance – Pothole Action Fund	159,000
Bridges – Needs Formula	516,000
Street Lighting – Needs Formula	130,000
Total	3,285,000

3. Notes the funding pressures relating to highway maintenance resulting from the impact of the Covid-19 pandemic on supporting income sources, and the potential implications of any long-term economic pressures on Central Government funding in future years.

1 PURPOSE OF THE REPORT

- 1.1 This report details the local transport resources allocated to the Authority for 2020/21.
- 1.2 The funds allocated from the local transport settlement comprises the majority of the Council's capital programme of minor works, highway and bridge maintenance.
- 1.3 Approval is sought for the allocation of funds to specific categories of projects.

2 IMPLICATION FOR VISION 2030

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

BACKGROUND AND MAIN CONSIDERATIONS

- 2.2 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.
- 2.3 Nationally the amount of Integrated Transport Block (ITB) funding allocated to local authorities was fixed in 2015 at £258m per annum for a six-year period up to 2020/21. This followed a decision to "top slice" £200m annually from the national pot which is allocated to the Local Growth Fund. 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.
- 2.4 The Integrated Transport and Maintenance blocks in metropolitan areas are allocated to those area's Integrated Transport Authorities (ITAs). In the West Midlands, this function is performed by the West Midlands Combined Authority (WMCA). These allocations therefore form part of the Devolved Transport Grant which was confirmed by Government in March 2016.
- 2.5 West Midlands Combined Authority then distributes these funds to its constituent local authorities on a per-capita basis for Integrated Transport Block and using the needs-based formula in the case of Maintenance Block.
- 2.6 This report provides further details of the settlement as it relates to this authority and outlines a provisional programme of Minor Works for 2020/21.
- 2.7 Major schemes (those over £5m) are not included in the Local Transport Settlement as these are separately funded from a number of sources including Local Growth Fund (via Local Enterprise Partnerships), Transforming Cities Fund (via Combined Authorities) or the Department for Transport's Large Local Majors Fund (schemes over £50m).

- 2.8 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. Many projects covered by the other categories will include provision for cyclists, pedestrians and those with impaired mobility. The allocation to the 'Vulnerable Users' category is used to fund projects specifically aimed at these groups.
- 2.9 Details of individual schemes will be reported to the Cabinet Member for Sustainable Transport for approval as necessary. The 'Named Schemes Over £250,000' category is intended to fund larger projects such as junction improvements. Details of such schemes will be reported individually as appropriate.

3 THE CURRENT POSITION

- 3.1 The allocation to the West Midlands metropolitan area for the forthcoming year is £30,730,000; of this sum, £17,618,000 has been allocated for Integrated Transport and £13,112,000 for local Highway Maintenance Block funding.
- 3.2 The annual figure for Integrated Transport Block has been at an historically low figure of £17,618,000 for the last six years, a sum of around 34% lower than the £26,592,000 allocated in 2013/14. The significant reduction in 2015/16 compared to the preceding four years is illustrated in the table below.

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

- 3.3 From the West Midlands allocation, a 'top-sliced' figure of £90,000 is allocated for joint initiatives. This figure is unchanged from the previous four years. £4,382,000 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 Integrated Transport Block is distributed to the Local Authorities on a per-capita basis resulting in a Sandwell allocation of £1,476,000.
- 3.4 A key challenge across the West Midlands Combined Authority (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 Integrated Transport Block 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 £220,000.
- 3.5 The historically low Integrated Transport Block (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 £250,000 plus bracket which were a regular feature of the ITB programme in the years prior to April 2015.
- 3.6 The Black Country authorities collectively made a bid to the Department for Transport's (DfT) Pinch Point Programme in January 2020. This bid included proposals for improvements at Bromford Lane/Brandon Way in Sandwell. Whilst these are still at the feasibility stage, the scheme is estimated to cost around £2,500,000 with funding spread across financial years 2021/22 and 2022/23. There is a DfT requirement to include a local contribution of at least 10% towards the funding of successful bids. Whilst there is no funding requirement in 2020/21, it should be noted that provision needs to be made within Sandwell's Integrated Transport Block allocation for 'Named Schemes over £250,000' in future years to cover this contribution should the bid be successful.
- 3.7 Local Highways Maintenance Block Funding is, as with Integrated Transport Block, allocated to the WMCA. Since 2015/16 this is made up of the following elements; Needs-Element, Incentive/Efficiency Element and Pothole Action Fund.

- 3.8 Based on the Highway Maintenance Block Needs Formula the total WMCA allocation is £13,112,000 of which the Council's allocation is £2,582,000.
- 3.9 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 a self-assessment questionnaire to the Department for Transport in which authorities place themselves in to one of three bands. As was the case in 2019/20 only authorities in Band 3 will receive the full share of the allocation. In 2021/21 Authorities in Band 2 will receive 30% of their full allocation. However, since 2016/17, 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 2020/21 and on this assumption the council's expected Incentive Element allocation is £538,000.
- 3.10 There is an on-going commitment, arising from the conditions of previous Challenge Fund approvals, to spend most of the Local Transport Settlement capital funding allocations on classified roads for next year. In 2020/21 our commitment represents £2,230,000 which leaves us with a potential shortfall of £197,000 when compared to our carriageway needs formula that must be spent on classified roads.
- 3.11 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 2020/21 is £158,600.
- 3.12 Sandwell's allocations for 2020/21, including additional allocations for maintenance, are shown in the table below compared to the previous four years' allocations.

Sandwell Allocation	2016/17	2017/18	2018/19	2019/20	2020/21
Integrated Transport Block	1,483,000	1,482,000	1,480,000	1,477,000	1,476,000
Maintenance Block - Needs-based	2,942,000	2,853,000	2,582,000	2,582,000	2,582,000
Maintenance - Incentive Fund Allocation	180,000	267,000	542,000	542,000	538,000

Maintenance - Challenge Fund Allocation	3,230,000	1,540,000	0	0	0
Maintenance – Pothole Action Fund	160,000	225,000	393,000	161,000	159,000
Winter Damage Monies	N/A	N/A	1,400,000	N/A	N/A

- 3.13 The Integrated Transport and Maintenance Block allocations are fixed grants and it is not envisaged they will be impacted on by the Covid-19 pandemic. However, other external sources of funding are used to support a number of maintenance programmes on the public highway that have been impacted by Covid-19. These budget pressures include fines from the street works permit scheme, income from highway licences, net income from utility inspections, contributions from developers, but most significantly net income generated from the parking services account that is now operating at a loss.
- 3.14 There is the potential for funding previously set aside by Government for major transport projects to be diverted elsewhere. The extent of this is unknown at present. However, the Government has already postponed some funding allocated for transport-based schemes that were in their early stages and where expressions of interest have not yet been submitted, for example the recently announced “Superbus” initiative.
- 3.15 It should be noted that the 2020/21 Local Transport Settlement is the final year of the allocations indicated to local authorities and Integrated Transport Authorities in April 2015. There are no indications from Government at present as to the likely level of funding that will be available from 1st April 2021, nor indeed if there will be any changes to the way to local transport funding will be allocated going forward. Nationally the available funding may reflect the long-term economic impact of the Covid-19 pandemic.
- 3.16 The working assumption at present, is that Integrated Transport Block (ITB) will continue in its current form and that levels will not significantly reduce. The ongoing commitment beyond April 2021 to provide local contributions to schemes highlighted in paragraph 3.6 above should be noted. At present it is anticipated that these will continue to be met from the ITB. However, should levels of ITB fall in future years, this would impact on the availability of resources for other minor works programmes.

4 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

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

5 ALTERNATIVE OPTIONS

- 5.1 Whilst Integrated Transport Block is not ring-fenced, the money is actually allocated to the West Midlands Combined Authority and then pass-ported to the district councils under the proviso that it is spent in support of the objectives of the West Midlands Strategic Transport Plan known as 'Movement for Growth'. The proportion of the funding allocated to each of the individual block headings is in line with previous years' allocations. The option exists to allocate more funding to some headings and less to others dependant on member priorities. It also remains possible to alter the allocations 'in year' should circumstance require it.

6 STRATEGIC RESOURCE IMPLICATIONS

- 6.1 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).

7 LEGAL AND GOVERNANCE CONSIDERATIONS

- 7.1 Since the publication of Local Transport Act 2008 it is a statutory requirement of Integrated Transport Authorities (ITA) 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 (WMCA) which has resolved to allocate Integrated Transport and Maintenance Block resources to district councils as confirmed by WMCA in February 2019. 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.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 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 Local Transport Plan 3 in June 2016. This has been subject of a full Equality Impact Assessment carried out by the Transport for West Midlands as part of the plan's formulation. The individual projects/work packages that make up Sandwell's 2020/21 programme of minor works and maintenance will be subject of individual Equality Impact Assessments as they are brought forward for approval.

9 DATA PROTECTION IMPACT ASSESSMENT

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

10 CRIME AND DISORDER AND RISK ASSESSMENT

- 10.1 Local Transport Settlement allocations to maintain street lighting contribute to reducing crime in hours of darkness

11 SUSTAINABILITY OF PROPOSALS

- 11.1 Local Transport Settlement allocations to maintain and improve the highway contribute to a sustainable road network and sustainable transport options.

12 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 12.1 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 Local Transport Settlement will also contribute to sustaining the legacy of investment programmes that will deliver 2030 ambitions.

13 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

13.1 Both Integrated Transport Block and Maintenance Block allocations are exclusively spent on works within Highway maintainable at public expense. Local Transport Settlement allocations will help deliver the aims and objectives as set out in the Highway Asset Management Policy, Strategy and Plan.

14 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

14.1 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.

15 BACKGROUND PAPERS

15.1 None

16 APPENDICES:

None

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