

## Report to Cabinet

17 March 2021

<b>Subject:</b>	Local Transport Settlement 2021/22 – Sandwell Allocation
<b>Cabinet Member:</b>	Councillor Jackie Taylor - Cabinet Member for Sustainable Transport
<b>Director:</b>	Tammy Stokes - Interim Director Regeneration and Growth Rebecca Maher - Acting Director – Finance (Deputy Section 151 Officer)
<b>Key Decision:</b>	Yes; <b>Type (b)</b> - an executive decision which is likely to result in the Council incurring expenditure, the making of savings or the generation of income amounting to: - £250,000 or more where the service area budget exceeds £10m; - £100,000 or more where the service area budget is less than £10m; <b>Type (c)</b> - an executive decision which is likely to be significant in terms of its effect on communities living or working in an area comprising two or more wards of the Borough.
<b>Contact Officers:</b>	Andy Miller Strategic Planning & Transportation Manager <a href="mailto:andy_miller@sandwell.gov.uk">andy_miller@sandwell.gov.uk</a> Robin Weare Service Manager Highways <a href="mailto:Robin_weare@sandwell.gov.uk">Robin_weare@sandwell.gov.uk</a>



# 1 Recommendations

- 1.1 That the details of the allocation of resources, for Integrated Transport and Local Highway Maintenance Block funding for financial year 2021/22, which will be confirmed by the West Midlands Combined Authority at its Board on 19<sup>th</sup> March 2021, be noted.
- 1.2 Subject to confirmation at West Midlands Combined Authority Board, Cabinet approves the following programme of minor works, highways, bridges and street lighting maintenance works for 2021/22;

<b>Minor Works Programme</b>	<b>Funds 2021/22 £</b>
Major Schemes Development (Ring Fenced)	220,000
Road Safety Schemes	115,000
Local Safety Schemes	160,000
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
<b>Total</b>	<b>1,486,000</b>

<b>Maintenance Programme</b>	<b>Funds 2021/22 £</b>
Carriageway Maintenance – Needs Formula	1,135,000
Carriageway Maintenance – Incentive Fund	445,000
Carriageway Maintenance – Pothole Action Fund	1,780,000
Bridges – Needs Formula	516,000
Street Lighting – Needs Formula	130,000
<b>Total</b>	<b>4,006,000</b>



1.3 That the continuing 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 be noted.

## 2 Reasons for Recommendations

2.1 This report details the local transport resources allocated to the Authority for 2021/22 which will be confirmed at West Midlands Combined Authority (WMCA) Board on 19<sup>th</sup> March 2021. As the report relates to funding from 1<sup>st</sup> April 2021, approval is required prior to the next scheduled meeting of Cabinet and is thus sought subject to WMCA confirmation.

2.2 The funds allocated from the local transport settlement comprise the majority of the Council’s capital programme of minor works, highway and bridge maintenance.

2.3 Approval is sought 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.

## 3 How does this deliver objectives of the Corporate Plan?

	People live well and age well: The Local Transport Settlement contributes to safe and efficient roads for local people and visitors, and to the health benefits of sustainable active travel.
	Strong resilient communities: Successful communities need access to jobs, services and facilities to enable them to remain healthy and vibrant. The highway network is an important enabler of this.
	Quality homes in thriving neighbourhoods: Both new and existing residential developments rely on good quality access and links to shops, services and leisure facilities in order for them to be successful. Local Transport Settlement funding is the principle method by which the network is improved and maintained.
	A strong and inclusive economy: The provision of a high quality, well maintained highway network will reduce journey times and improve journey reliability for Sandwell business who rely on it to connect to their suppliers and customers.





A connected and accessible Sandwell: The provision of a high quality, well maintained highway network is vital to enable Sandwell residents to access jobs, education and services both within and beyond the Borough's boundaries.

## 4 Context and Key Issues

### Background

- 4.1 The Integrated Transport and Maintenance blocks are Central Government funding sources administered by the Department for Transport (DfT) and allocated to local authorities. They 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 local road network.
- 4.2 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 wider suite of devolved transport funding from Government to the Combined Authority.
- 4.3 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.
- 4.4 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. It was anticipated that an allocation for three years from 2021/22 would be included in the Government's Comprehensive Spending Review intended for Autumn 2020. Due to the ongoing Covid-19 pandemic the CSR was postponed, and a one-year spending review took place instead. As a result, the DfT has issued a single year allocation for ITB and Maintenance Block covering 2021/22.
- 4.5 This report provides further details of the settlement as it relates to this authority and outlines a provisional programme of Minor Works for 2021/22.



- 4.6 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 Major Route Network (schemes in the £25m - £50m bracket) and Large Local Majors (schemes over £50m) Funds.
- 4.7 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.
- 4.8 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.

## The Funding Picture

- 4.9 The allocation to the West Midlands metropolitan area for the forthcoming year is £38,102,000; of this sum, £17,755,000 has been allocated for Integrated Transport and £20,347,000 for local Highway Maintenance Block funding.
- 4.10 For the first time in seven years there has been a minor increase in ITB. This does not offset what has been in effect a year-on-year cut in this funding when inflation is taken into account. The allocation remains significantly lower than the levels allocated prior to 2015/16.
- 4.11 From the West Midlands allocation, a 'top-sliced' figure of £90,000 is allocated for joint initiatives. This figure is unchanged from the previous five years. £4,416,000 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 £1,486,000.



- 4.12 The continued low levels of Integrated Transport Block (ITB) 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.
- 4.13 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. No announcement has been made on the outcome of this bid. The scheme therefore remains at the feasibility stage, but it is estimated to cost around £2,500,000 with funding anticipated to be 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. The programme therefore makes provision for the local contribution from the 'Named Schemes over £250,000' heading for the coming financial year. Should the bid be successful a similar provision will be required in 2022/23. In the event that no announcement is made, these resources will be reallocated to other headings.
- 4.14 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.
- 4.15 Based on the Highway Maintenance Block Needs Formula the total WMCA allocation is £9,043,000 of which the Council's allocation is £1,781,000. Whilst this is a £801,000 reduction on last year's allocation to Sandwell, this is more than offset by the increase to the Pothole Action Fund element detailed below.
- 4.16 The incentive element 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. However, since 2016/17, authorities who are part of a devolution deal area received the maximum funding allocation automatically but are still required to submit the self-assessment questionnaire to show they are following good practice and applying sound asset management principles. The council's Incentive Element allocation is £445,000.

4.17 The Pothole Action Fund was first announced in the Budget in 2015. In the 2020 budget the Chancellor announced an additional £2.5 billion Pothole fund, providing £500 million a year between 2020/21 and 2024/25. This is the second £500 million instalment. The Councils allocation is £1,780,000.

4.18 Sandwell's allocations for 2021/22, including additional allocations for maintenance, are shown in the table below compared to the previous four years' allocations.

<b>Sandwell Allocation</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Integrated Transport Block	1,482,000	1,480,000	1,477,000	1,476,000	1,486,000
Maintenance Block - Needs-based	2,853,000	2,582,000	2,582,000	2,582,000	1,781,000
Maintenance - Incentive Fund Allocation	267,000	542,000	542,000	538,000	445,000
Maintenance - Challenge Fund Allocation	1,540,000	0	0	2,134,000	0
Maintenance – Pothole Action Fund	225,000	393,000	161,000	159,000	1,780,000
Winter Damage Monies	N/A	1,400,000	N/A	N/A	N/A

4.19 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.

- 4.20 It should be noted that the 2021/22 Local Transport Settlement is a single-year allocation with no indicative allocations for future years. There are no indications from Government at present as to the likely level of funding that will be available from 1<sup>st</sup> April 2022, nor indeed if there will be any changes to the way that local transport funding will be allocated going forward. Nationally the available funding may reflect the long-term economic impact of the Covid-19 pandemic.
- 4.21 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 2022 to provide local contributions to schemes highlighted in paragraph 4.13 above should be noted. At present it is anticipated that these will continue to be met from the ITB or any successor funding stream. However, should levels of funding fall in future years, this would impact on the availability of resources for other minor works programmes.
- 4.22 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 individual authorities 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 Implications

<p><b>Resources:</b></p>	<p>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 1.2 may change if circumstances arise requiring reallocation of funding to manage unforeseen immediate risks across asset classes (carriageways, pavements, bridges, lighting and traffic signals).</p> <p>Both Integrated Transport Block and Maintenance Block allocations are exclusively spent on works within Highways 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.</p>
<p><b>Legal and Governance:</b></p>	<p>Since the publication of Local Transport Act 2008 it is a statutory requirement of Integrated Transport Authorities (ITAs) 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. 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.</p>
<p><b>Risk:</b></p>	<p>There are no direct risk implications resulting from the course of action recommended in this report.</p> <p>Individual projects within the programme will be assessed for risk in line with the Council policies as part of their approval process.</p>



<b>Equality:</b>	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 2021/22 programme of minor works and maintenance will be subject of individual Equality Impact Assessments as they are bought forward for approval.
<b>Health and Wellbeing:</b>	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.
<b>Social Value</b>	There are no implications for social value directly arising from this report. Any implications arising from individual projects will be reported as part of their approval process.

## 7. Appendices

None

## 8. Background Papers

West Midlands Strategic Transport plan: Movement for Growth (2016)  
Report scheduled for WMCA Board 19:03:21

