

**Department for Transport Consultation on Local Transport Funding
August 2010**

**Addendum – Cabinet Member Technical Services Report – 22nd
September 2010**

Proposed response has been set out in the format of the questions included in the consultation documentation.

Formulae for Integrated Transport and Highway Maintenance Blocks

- 1 The only change that the Department is considering in either of the two formulae in advance of this year's Local Government Finance Settlement is the option to disregard road condition in the maintenance block formula. What are consultees' views on this approach?**

Response:

Sefton Council would support the exclusion of the road condition data from the formula. To apportion funding based on carriageway lengths would provide a consistent national approach.

- 2 What are consultees' views on possible longer term changes to the formulae, in particular on the comments above on potential developments to the IT Block?**

Response:

The Integrated Transport Block Formula already contains 25 variables, some of which are already linked to the twin goals of carbon reduction and supporting the economy. Including further indicators would introduce additional complexity to an already complex formula.

Whilst the twin goals will be key objectives of the future Merseyside Local Transport Plan (LTP3), there are also key local objectives for health, safety and quality of life issues in accordance with Delivering a Sustainable Transport System.

There is significant concern how robust consistent data can be collected, particularly for cycling and walking, and cannot see how these will be delivered given the movement to local indicators.

Sefton Council considers this matter requires much more detailed consideration and would be willing to participate in a future review of the options.

3 Do consultees agree that there should be a data refresh?

Response:

Sefton Council consider there should be an identified programme for updating the required information so that the allocation of funding is made against up to date information.

4 Do consultees have any comments on the refreshed data as set out in Annex G?

Response:

In accordance with the DfT letter of the 1st September 2010 entitled Local Highway Assets, the Council has provided a response by the deadline of 30th September 2010.

5 Do consultees wish to see transitional arrangements to mitigate the impact of the data refresh, and if so, what should these be?

Response:

To provide a fair approach and enable the effective management of resources and the continuity of services, transitional arrangements should be put in place over a period of years ie. minimum of 3 years.

6 Do consultees agree with the Department's approach for merging funding for structures on the Primary Route Network and for detrunked roads within the maintenance block formula from 2011/12?

Response:

In many instances this funding has been provided based on individual submissions to fund larger scale maintenance works on structures, carriageways and highway drainage. To include this funding in future maintenance block allocations would seriously disadvantage smaller authorities, who as a consequence will receive proportionally less, and hence to maintain the strategic highway in acceptable condition will have to allocate a major part of available funding to one particular project and hence compromise wider programmes.

Consequently Sefton Council do not support this proposal.

Principles for allocating supported borrowing and grant funding

- 7 **Would local authorities prefer to receive funding as grant or supported borrowing, and what are consultees' views on the priorities for paying out grant if there is a mix of grant and supported borrowing?**

Response:

Sefton Council's preference is for the funding to be received as grant funding.

If a mix is required, the Integrated Transport Block should be grant funded with Maintenance supported borrowing.

Distribution of Funding in Metropolitan Area and Joint Plan Areas.

- 8 **What are consultees' views on the option to allocate the IT and maintenance blocks solely to Integrated Transport Authorities in the six Metropolitan Areas?**

Response:

Sefton Council considers the following key issues need to be taken into account when considering the process for the future distribution of the Integrated Transport and Highway Maintenance Blocks:

- The Integrated Transport and Highway Maintenance Blocks are provided to facilitate the development and maintenance of the local transport networks and cover a wide range of activities.
- The District Authorities have statutory duties and hence the responsibility to deliver highway maintenance programmes and many of the Integrated Transport initiatives, with governance arrangements to ensure local priorities are being effectively addressed.
- Maintaining continuity within existing programmes is essential to permit the effective management of resources provided both internally and commissioned through commercial partnerships.
- Liverpool City Region governance arrangements are under review, particularly with regard to strategic transport policy and strategy development.

Taking these issues into account Sefton Council considers:

- The Maintenance Block funding should continue to be allocated directly to the District Highway Authorities as at present based on the formula approach.
- The Merseyside Integrated Transport Block funding should continue to be allocated in accordance with the existing local agreement to the District Authorities and Integrated Transport Authority. The funding to be either distributed by the DfT directly to each Authority as at present, or possibly if grant funding through the ITA.
- The situation should be reviewed subject to the conclusion of the Liverpool City Region Transport Governance Review.

9 Should Metropolitan Areas and other areas producing Joint Local Transport Plans be allowed to retain the flexibility to vire IT Block funding between authorities as permitted in the last funding settlement?

Response;

Sefton Council considers that the flexibility should be retained within the Metropolitan Area as has proved beneficial in managing particularly larger schemes within our programmes during current and previous LTP periods.

10 Do consultees have any other issues they would like to raise about the calculation or distribution of the integrated transport or highways maintenance blocks, including on the overall size of the blocks relative to other capital funding and relative to each other?

Response:

The Council considers the following issues should be taken into consideration:

- There needs to be a mechanism to fund 'minor' major schemes (ie costing £2-3m) in smaller authorities to aid delivery of local goals and objectives. Otherwise in many authorities priorities may not be able to be delivered due to having to allocate a majority proportion/all funding to one project, compromising other objectives.
- With potential reductions of funding the Council considers that maintenance of our assets and promoting safety are key transport priorities. The Council would wish to see this reflected in the future split of funding between Integrated Transport and Maintenance blocks.

- Developing the Smarter Choices agenda is seen as a key element to delivering the objectives of the Merseyside LTP3. To provide consistency and certainty in funding the required staff resources it is recommended a proportion of LTP funding be provided as revenue.