

## **Cabinet – 23 March 2005**

### **West Midlands LTP Settlement and Transport Capital Programme 2005/06**

**Portfolio:** Councillor Marco Longhi - Environment

**Service Area:** Built Environment

**Wards:** All

**Forward Plan:** Yes

#### **Summary of Report**

This report explains the Secretary of State for Transport's settlement for the West Midlands Local Transport Plan (WMLTP) in 2005/6 and the allocation of transport resources to Walsall approved by the West Midlands Joint Committee on 28 January 2005. The settlement letter contains the capital settlement for 2005/06 and an assessment of our progress in delivering our programme and achieving the outcomes we are aiming for. All West Midlands Metropolitan Districts are working towards achieving excellence and are putting in place measures to improve forward planning and monitoring of programme delivery. The 2005 WMTLP will comply fully with DfT guidance.

#### **Recommendations**

- (1) Note the contents of the settlement letter as outlined in this report and the key messages from government.
- (2) Approve the proposed 2005/06 transport capital programme as summarised in Table 3.
- (3) Note that it may be necessary to modify the proposed 2005/06 capital programme in order to ensure progress on delivering the Town Centre Transport Package.
- (4) Note proposed over programming of 24% to assist programme delivery and that this will result in some schemes having to be delayed until 2006/07. Approve that the Head of Planning and Transportation be authorised to vary the transport capital programme for 2005/06 to ensure efficient use of resources and that expenditure is kept within cash limits, subject to the approval of the Assistant Director for the Built Environment where budget changes exceed £25,000.
- (5) Note that the Brownhills Bypass/Clayhanger Link major scheme has been renamed the Brownhills Transport Package and that it is intended to submit a funding bid for the scheme to DfT in July 2005.

## Resource and Legal Considerations

The Secretary of State's 2005/06 Settlement Letter sets out the resources available to the West Midlands Met. Districts and the WMPTA in 2005/06 for transport capital investment; it is based on the 2004 WMLTP Annual Progress Report (APR). Nationally, the West Midlands received the highest total allocation at £117.219m from a national total of £1.62bn. We had one of only eight new major schemes approved (Red Routes) and three major schemes move from provisional to full approval. The total allocation of £117.219m (an increase of £10m) comprises:

- **£44.8m** - Integrated Transport Block (compared to £55.012m in 04/05)
- **£24.3m** - Structural maintenance (compared to £24.73m in 04/05)
- **£10.732m** - Existing major schemes
- **£24.627m** - Provisionally approved major schemes moving to full approval
- **£12.76m** - New major scheme (Red Routes Package 1)

The overall increase is the result of extra major scheme funding.

Whilst the WMLTP APR is submitted on behalf of all the WM authorities, spending approvals are allocated to individual authorities. The West Midlands Joint Committee decides the allocation of transport resources to each partner authority. It is then the responsibility of each authority to arrange for the distribution and management of the resources in accordance with the decision of the Joint Committee. Certain approvals are ring-fenced e.g. major scheme funding, but Integrated Transport Block and Maintenance Block are not; in the current LTP programme certain metropolitan wide initiatives are funded from non ring-fenced district allocations.

On the 28 January 2005 the Joint Committee approved that funding allocations for maintenance should be "passported" through to each District and that other funding should be transferred between authorities in accordance with the agreed allocations to the Integrated Transport Block, net of contributions to West Midlands joint initiatives and pay back of "loans" received in 2003/4. As a result of this process, Walsall MBC will receive the following resources in 2005/6:

**Table 1 – Local Transport Plan Resources 2005/06**

<b>Project/Programme</b>	<b>2005/06 Resources (£000s)</b>
Town Centre Transport Package (TCTP)	To be confirmed - subject to Final DfT Acceptance
Maintenance Allocation	£2,362
Integrated Transport Block	£2,376
<b><i>Net Resources Available to the Council</i></b>	<b><i>£4,738</i></b>

Note that these resources do not include an adjustment made with respect to the return of resources in 2005/06 of £100,000, for £500,000 advanced to the Council in 2003/04 by the WM Joint Committee for Wednesbury Road Bridge (balance to be returned over 2005/06 to 2008/09).

Note also that the resources above do not include planned expenditure in 2005/06 of the order of £1.5m on red routes and bus showcase schemes in Walsall.

In the light of the changed circumstances and developments since 2003, when the current LTP was agreed, the joint initiative contributions have been revisited; the largest single current initiative is Bus Showcase.

The Government attaches considerable importance to delivering bus improvements, following a 14% reduction of the Integrated Transport Block in the 2005/6 settlement letter, a 10% reduction to the Bus Showcase programme compared to 2004/5 has been agreed. Table 2 sets out the proposed joint initiatives funding levels.

**Table 2 – West Midlands Joint Initiatives 2005/06**

<b>Programme</b>	<b>Allocation (£000)</b>
Bus Showcase	£9,170
WMLTP Programme Development, Implementation and Monitoring	£2,200
Network Information and Monitoring	£300
<b>Total</b>	<b>£11,670</b>

The Council's TCTP major scheme received provisional approval of £12.099m in 2003. The scheme has progressed through public inquiry and a detailed design and tendering process. An accurate estimate of the current project costs is being completed in March 2005; it is likely that there could be a funding gap between the provisionally approved resources for the project and the updated cost for the project. Confirmation will be sought from DfT that the resources provisionally approved for the scheme will be made available and any additional resources that may be needed. It is possible that the DfT may require the Council to contribute a proportion of the difference. In this event, it is anticipated that the transport capital programme will be the principal source of funding.

If the Council is required to make a substantial contribution to any shortfall in DfT funding for TCTP, this could have seriously impact on our ability to deliver the intended capital programme. However, it should be possible to plan any contributions required for the project over the whole construction period 2005/6 to 2007/8, minimising impacts on the transport capital programme in any given year. Once the funding position for TCTP has been clarified, a report will be submitted to Cabinet.

The proposed capital programme set out in Table 3 reflects the allocations as agreed by Joint Committee, including the 24% over-programming to provide flexibility and maximise the ability to fully utilise the resources. This level of over programming is similar to that adopted for the 2004/05 programme. As a result of the over programming, some schemes detailed will need to be delayed into 2006/07.

A review of the 2005/06 programme has been undertaken as part of the wider review of the WMLTP and submission of the new 2005 WMLTP scheduled for July 2005. Government expects LTPs to focus on delivering a smaller set of key outcomes, reflecting the Transport Shared Priority; - *“improving access to jobs and services, particularly for those most in need, in ways that are sustainable: improved public transport, reduced problems of congestion, pollution and safety”*.

The projects and programmes for 2005/06 and beyond have been assessed and rebalanced in terms of their contribution to the Transport Shared Priority and the Council's Vision. The Transport Shared Priority is broadly reflected in previous WMLTP objectives and in the programmes that have been pursued in relation to those objectives; consequently, no substantial change in the 2005/06 programme is proposed.

The principal changes from previous programmes relate to a slight reduction for safer and healthier communities (mainly traffic calming measures) and an increase in resources for highway efficiency measures. Another significant feature is the level of resources required to progress major schemes such as the provisionally approved Darlaston SDA Access Project and new major projects including the Brownhills Transport Package, previously titled Brownhills Eastern Bypass/Clayhanger Link.

As well as containing the capital settlement for 2005/06, the settlement letter also includes an assessment of our progress in delivering our programme and achieving the outcomes we are aiming for. The assessment has fallen to "Average" from "Above Average" in the previous year's settlement letter. The drop in the APR assessment to "average" has not had a direct financial impact, however, it will impact on CPA scores. The drop to "Average" has been particularly influenced by the substantial changes made to the Integrated Transport programme in the course of the year, resulting in significant variance between the outputs programmed and those delivered.

The new LTP to be submitted in July 2005 will be assessed on both the quality of the plan and our record of delivery. This will affect funding levels for the next five years, therefore it is even more critical that we deliver the overall WMLTP programme to cost in for 2004/5.

In preparing the 2005/6 highways capital programme, officers have made the assumption that any under spend from 2004/5 will be carried forward into 2005/06. If this is not the case, the level of over programming will increase and a greater number of schemes will be delayed into 2006/07. Cabinet is also requested to approve that the Head of Planning and Transportation be authorised to vary the transport capital programme for 2005/06 to ensure efficient use of resources and that expenditure is kept within cash limits. Where budget changes in excess of £25,000 are proposed, these will require the approval of the Assistant Director for the Built Environment.

Table 3 summarises the level of resources the Council is expecting to have available in 2005/6 from West Midlands Joint Initiatives, namely Bus Showcase and Red Routes Package 1.

**Table 3**

<b>2005/06 ALLOCATION AND 2005/06 PROPOSED TRANSPORT CAPITAL PROGRAMME</b>		
<b>Programme/Scheme</b>	<b>2005/06 Allocation £000</b>	<b>Proposed 2005/06 Capital Programme* £000</b>
Principal Route Maintenance	194	
Non Principal Route Maintenance	1538	
Bridge Strengthening	630	
<b>Sub-total Highway Maintenance</b>	<b>2,362</b>	<b>2,800*</b>
Unallocated Carry Forward from 2003/04	0	0
<b>Integrated Transport Block</b>	<b>2,376</b>	
TCTP		150
Blakenall New Deal Area		50
Local Safety Schemes		405
Pedestrian Facilities		315
Cycling Facilities		240
Safer Routes to School		400
Public Transport		130
Regeneration and Integration		0
Darlaston SDA Access Project		500
Brownhills Transport Package		100
Black Country Study		0
Other Projects Design in Advance		100
Centres and Corridors		100
Safe and Healthy Communities		221
Jobs and Prosperity		50
Highway Efficiency Measures		300
<b>Sub Total Integrated Transport Block</b>		<b>3,061*</b>
<b>West Midlands Joint Initiatives</b>		
Walsall Bus Showcase Programme		950
Walsall Package 1 Red Route Programme		1,300
<b>Sub Total West Midlands Joint Initiatives</b>	<b>1,500</b>	<b>2,250†</b>
<b>Total</b>	<b>6,238</b>	<b>8,111*</b>

\* **Includes over programming** but does not include potential carry forward of resources from 2004/5 or any contribution towards TCTP not funded direct by DfT.

† Allocations for West Midlands Joint Initiatives are to be confirmed by CEPOG, current programme is based on anticipated allocation.

## **Citizen Impact**

Investment in new transport facilities and the improvement of the existing network and management of traffic has a bearing on the well-being and satisfaction of all citizens in the Borough.

## **Community Safety**

Improving the safety of the transport network and the security of people using the transport system are important considerations in the development and delivery of transport schemes and the forward capital programme.

## **Environmental Impact**

Traffic impacts upon air quality and noise and vulnerable travellers such as pedestrians, cyclists and people with disabilities. These factors are considered in the development and delivery of transport schemes and the forward capital programme in order to reduce adverse environmental impacts. Care will be taken in the detailed design of schemes to minimise direct impacts on the local environment.

## **Performance and Risk Management Issues**

The delivery of transport programmes and the contribution that these programmes make to achieving WMLTP objectives and delivering forecast outputs and outcomes is the subject of detailed monitoring and reporting. The West Midlands needs to improve in this area, processes are being put in place at West Midlands level and within the Council to ensure better development and management of LTP programmes. This includes much greater synergy between the LTP programme/ targets/ outputs, Council Service and Team plans and Individual Performance plans. The DfT will monitor the future delivery of the WMLTP programme carefully and the level of future funding may be reduced if we do not perform better in this area.

## **Equality Implications**

In the development and delivery of the WMLTP, consideration is given to ensuring that the needs of all sections of the community are considered. The transport capital programme for 2005/06 will assist in improving facilities for all modes of transport, including walking and cycling, and will assist in improving mobility for those without access to a car.

## **Consultation**

The 2005 WMLTP has been the subject of consultation with partners and stakeholders. Major public consultation was undertaken in 2004 on the WMLTP itself while partners and stakeholders are consulted with respect to individual transport projects.

## **Vision 2008**

The WMLTP programme will significantly assist delivery of Vision 2008, particularly with respect to helping people to get around.

## Background Papers

1. West Midlands Local Transport Plan 2003
2. Local Transport Plan Settlement Letter December 2004
3. Walsall Transport Strategy
4. Report on the WMLTP Settlement to West Midlands Joint Committee in January 2005
5. Report to Cabinet on the transport capital programme in March 2004.

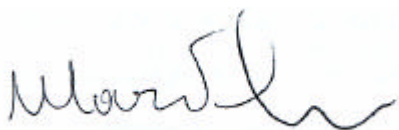
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Signed:  .....

**Executive Director:**

**Date: 14 March 2005**

Signed:  .....

**Portfolio Holder: Councillor Marco Longhi**

**Date: 14 March 2005**