REGIONAL TRANSPORT FORUM – 25th January 2013

Funding Programmes and LTB update

Report by: Southend Borough Council / Department for Transport

Purpose of Report:

- To inform Members of the latest funding programmes and developments of the LTBs.

Recommendations:

It is recommended that:

1. The report is noted.
2. All give an update of the developments of their LEP areas and LTBs.
3. If they wish to, Local Authorities are to respond to the DfT consultation on the Integrated Transport Block Fund by 6th March 2013.

1. Autumn Statement

1.1. The 2012 Autumn Statement that the Chancellor of the Exchequer delivered can be found at the following link:


A summary of the Statement, which includes a number of funded transport projects is given below.

1.2. The Government is committed to ensuring that the road network is fit for the UK’s future transport needs. The Government is investing an additional £1.5 billion, of which £1 billion will be invested within this spending review period, to enhance and improve the road network and reduce congestion. The Government will:

- invest £378 million to upgrade key sections of the A1 (Lobley Hill and Leeming to Barton) in the north east, bringing this route from the M25 to Newcastle up to motorway standard;
- expand capacity through building a new link between the A5 and M1 in the east of England and dualling the A30 Temple to Carblake in the south west, an investment of £157 million;
- tackle congestion with £150 million of investment for improvement works to Junction 30 of the M25 in London starting in 2015 and £10 million funded from within the Department for Transport’s existing budget on improvement works at Junction 12 of the M40 in the west midlands, starting in 2013;
- provide £270 million for priority national and local projects to remove bottlenecks and support development;
• invest an additional £333 million in the essential maintenance of the national and local road network to renew, repair and extend the life of the roads;
• invest £42 million to develop the pipeline of potential Highways Agency road schemes for investment in the next spending review period; and
• £42 million investment in the Sustainable Transport Fund for cycling infrastructure, including cycling safety.

1.3. The following link gives more detail about the transport element of the announcement - https://www.gov.uk/government/news/autumn-statement-huge-boost-for-transport

1.4. The Government's ambition is to reduce the time it takes to plan and deliver new roads by up to a half. The Government is assessing the feasibility of new ownership and financing models for the strategic road network, and will report on progress in the new year.

1.5. The Government will do more to protect homes and businesses from flooding and unlock sites for development. The Government will allocate an additional £120 million over the current spending review period to build new flood defences. Half of this funding will be awarded to the strongest bids from growth-enabling schemes such as those being developed in Sheffield, Ipswich, Leeds, Exeter and Derby. The remainder will be used to accelerate planned schemes within the wider Environment Agency programme.

1.6. The Government is providing a further £683 million through capital grants and financial transactions. In England, the Government will invest £474 million in local infrastructure on a recoverable basis.

1.7. The Government has published full details of a new approach to public private partnerships, PF2, following its review of PFI. This continues to draw on private finance and expertise to deliver government investment in public infrastructure and services, while addressing past concerns about the PFI and responding to the recent changes in the economic context. Government will become a shareholder in future projects, to ensure a more collaborative approach to improving project performance and managing risk, and will share in the financial rewards alongside private sector shareholders.

1.8. LEPs, which bring together local leaders and businesses, will be asked by the Government to lead the development of new strategic plans for local growth consistent with national priorities. Through this strategic plan LEPs will have an increasingly important role, and the Government is keen to ensure that all LEPs are able to fulfill this strategic function. The Government believes that LEPs should remain small, responsive, business-led organisations and avoid creating local bureaucracy. The Government will provide £10 million per year for capacity building within LEPs. Each LEP will be able to apply for up to £250,000 additional funding per year to support the development and delivery of their strategic plan.

1.9. Government will make available a new concessionary public works loan rate to an infrastructure project nominated by each LEP (excluding London), with the total borrowing capped at £1.5 billion.
1.10. Government will also provide a further £350 million towards the Regional Growth Fund, to provide support for jobs and growth across England until the end of this Parliament.

2. Extra £215 million to local authorities for road maintenance

2.1. On 18 December 2012 the Department for Transport published funding allocations for local highway authorities’ (including London) share of a £215 million fund for local road maintenance

2.2. The £215 million is part of the £333 million fund announced in the Chancellor’s Autumn Statement as set out above, for essential maintenance to renew, repair and extend the life of roads in England.

2.3. This maintenance funding could be used for improvements such as road resurfacing, maintenance to bridges or repairing damage to highway infrastructure caused by severe weather events, such as the recent flooding.

2.4. The funds will be distributed on the basis of the Department’s existing highways maintenance capital funding formula.

2.5. The list of allocations are found at https://www.gov.uk/government/publications/local-transport-capital-block-funding

2.6. To be eligible for this additional funding and to promote greater transparency and accountability, the Department will require local highway authorities to publish a brief note on their website by the end of each financial year (end of April 2014 and end of April 2015) on where and how this additional funding was spent on highways maintenance. This is so local communities are able to see how this extra funding has been spent.

3. National Pinch Point Programme

3.1. Included within the Autumn Statement; the Highways Agency is to deliver 57 vital road improvements to boost the economy, reduce congestion and improve safety. Many of the improvements will be delivered in 2013 and 2014, and they will all be completed by March 2015. The announcement brings the total number of schemes to receive investment from the Government’s pinch point fund to 65. A further £100m for similar schemes on the strategic road network was also announced and projects are currently being evaluated. Successful schemes are expected to be announced in March.

3.2. Details of the schemes for the East of England are summarised below:

- A14 junction 31 to 32 improvement, Cambridgeshire. Reduce congestion by widening the A14 between junctions 31 and 32, and installing three sign gantries across the width of the carriageway. Supports Northstowe Phase 1 development, which will create 582 jobs and 1,480 new homes. Supports the gateways of Felixstowe and Harwich ports. It also supports the outputs from the A14 Challenge study, providing early improvements consistent with the new A14 major improvement scheme announced by the Transport Secretary on 18 July 2012. Supports the

- A1(M) junction 6 northbound all lane running, Welwyn. Reduce congestion by converting the existing hard shoulder to a running lane, including a sign gantry and variable message signs, CCTV, sensor loops and speed enforcement cameras. Supports local economic growth in Hatfield Business Park, Gunnels Wood Road, GSK, Stevenage Town Centre Regeneration and Knebworth Innovation Park and the gateway of London Luton Airport. Supports the creation of 9,485 jobs and 3,840 homes by 2020. Cost £6.2m. Starts and ends 2014.


- A47 Honingham roundabout expressway. Reduce congestion by constructing an eastbound express lane, allowing traffic to bypass the roundabout. Supports several local development sites, anticipated to generate 1,355 jobs and 1,200 homes by 2020. Cost £1.3m. Starts 2013. Ends 2014.

- A1/A47 Wansford junction, Peterborough. Reduce congestion by providing additional signage and improved road markings. Supports several local development sites, anticipated to generate 6,820 jobs and 13,765 homes by 2020. Cost £0.06m. Starts and ends 2013.

- A120 Galleys Corner roundabout improvement, Essex. Reduce congestion and improve safety by widening the roundabout to encourage A120 traffic to use both lanes. Supports several local development sites and the gateway of Stansted Airport. Anticipated to generate 1,430 jobs and 750 homes by 2020. Cost £0.3m. Starts and ends 2013.

4. Local Pinch Point Fund

4.1. Advice for local authorities wanting to apply for a share of a £170 million fund to remove bottlenecks on the local highway network and support growth-enhancing development was published on 3rd January 2013. This funding forms part of an additional £1.5 billion of government investment, announced in the Chancellor’s Autumn Statement, to improve the road network and reduce congestion. The investment will build on the success of the Highways Agency’s Pinch Point Fund for the strategic road network.

4.2. This investment will fund improvements which have an immediate impact on growth with the aim that all schemes will be delivered as quickly as possible. Funding needs to be spent by March 2015. The schemes delivered as part of this programme will help create additional jobs and housing and could include:
  - Improving existing local roads to ease congestion bottlenecks, speed up journey times and improving reliability.
• Provision of new roads, junctions or roundabouts to improve access to business or housing development sites.
• Strengthening or repairing bridges or retaining walls which would otherwise lead to traffic restrictions and cause delays for traffic.

4.3. The Local Pinch Point fund application pack and guidance can be found at the following: https://www.gov.uk/government/publications/local-pinch-point-fund-application-pack

5. Additional LEP Funding

5.1. On 23 January 2013 the Department for Transport announced that, in recognition of the key role envisaged for LEPs in transport, the Department for Transport will be providing LEPs with funding which totals £5 million for 2012/2013. This is in addition to the funds for capacity building in LEPs already announced in the Chancellor’s 2012 Autumn Statement. LEPs will have discretion on the use of this funding but the Department hopes it will improve LEP capacity to play a leading role in transport, including participation in LTBs.

6. Local Majors Announcement on Geography and Indicative Funding Allocations for Local Transport Bodies

6.1. On 23 January 2013 the Department published indicative funding levels for the Local Transport Bodies taking decisions on major local transport schemes and confirmed the geographical areas that these bodies will cover.

6.2. From 2015, each Local Transport Body will be allocated funding according to its population. This is a change as previously local areas bid for a share of a central funding pot, putting forward specific schemes for consideration.

6.3. Using the figures released, Local Transport Bodies will be expected to develop provisional scheme programmes by July 2013. The indicative funding levels are based on the overall funding for local major schemes from the 2010 Spending Review, distributed between local bodies on the basis of population.

6.4. The actual allocations will not be determined until future spending rounds and therefore the Department is advising local bodies to make contingency provision in their programmes for actual budget levels to be one third higher or lower than their indicative figure.

6.5. A list of indicative funding levels and local authorities covered by each Local Transport Body can be found at: https://www.gov.uk/government/consultations/devolving-local-major-transport-schemes-consultation

7. Consultation - Integrated Transport Block Allocation

7.1. The Department for Transport has released a consultation document on the Integrated Transport Block fund which can be found at: https://www.gov.uk/government/consultations/integrated-transport-block-funding
7.2. IT Block funding is un-ringfenced capital funding given to local authorities for small transport improvement schemes costing less than £5 million. The consultation is on the future distribution of the Integrated Transport Block Fund that the Department for Transport allocates by formula to local transport authorities in England outside London. The consultation seeks views and comments regarding three different options for calculating the allocations.

7.3. Consultation responses are due by 6th March 2013.