

## Delegated Cabinet Member Decision Report

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| <b>Decision Maker and Portfolio area:</b> | <b>Cllr A Jabbar, Cabinet Member for Finance and Corporate Resources</b> |
| <b>Date of Decision:</b>                  | <b>21<sup>st</sup> October 2019</b>                                      |
| <b>Subject:</b>                           | <b>Transport Capital Programme 2019/20: Budget Update Report 2</b>       |
| <b>Report Author:</b>                     | <b>Eleanor Sykes</b>   |
| <b>Ward(s) Affected:</b>                  | <b>Boroughwide</b>   |

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**Reason for the decision:** This report details budget changes within the agreed 2019/20 transport capital programme that are required so the programme continues to reflect current priorities, budgets match expenditure and that take-up of available grant funding is maximised.

**Summary:** This report is the second in a series of reports that will be produced in 2019/20 as part of the ongoing monitoring of the transport capital programme.

The report sets out the current position in respect of the value of the 2019/20 transport capital programme and proposes several budget changes within the programme which are detailed in Appendix A. All scheme budget changes have been managed within transport capital programme resources.

There is additional funding being brought into the 2019/20 transport capital programme of £678,000 as outlined in this report.

As well as this re-profiling and adjustments highlighted through the annual 'summer review' are also covered in Appendix A. The value of re-profiling through the summer review is £4,669,225.

***What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):***

**Option 1:**

- Agree the required budget changes as outlined in Appendix A to this report so that

the programme continues to reflect current priorities, budgets match expenditure and that take-up of available grant funding is maximised.

**Option 2:**

- Do not agree the required budget changes as outlined in the appendix
- to this report and do not accept the additional grant monies.

**Recommendation(s):**

**Option 1:**

- Agree the required budget changes as outlined in Appendix A to this report so that the programme continues to reflect current priorities, budgets match expenditure and that take-up of available grant funding is maximised.

**Implications:**

*What are the **financial** implications?*

**Capital**

The 3 year TCP allocation is as follows:

|  | 2019/20       | 2020/21       | 2021/22      | Total         |
|--|---------------|---------------|--------------|---------------|
|  | £'000         | £'000         | £'000        | £'000         |
| <b>Previous TCP Programme (report 1)</b> | 19,329        | 12,269        | 6,015        | <b>37,613</b> |
| <b><u>Changes to Programme:</u></b>      |               |               |              |               |
| Additional Funding                       | 678           |               |              | <b>678</b>    |
| Reprofiles                               | (4,669)       | 4,669         |              | <b>0</b>      |
| Transfers from TCP                       | (71)          |               |              | <b>(71)</b>   |
| <b>Revised TCP Programme (Report 2)</b>  | <b>15,267</b> | <b>16,938</b> | <b>6,015</b> | <b>38,220</b> |

It should be noted that the £71k transfer from TCP was the result of an earlier misallocation of resource now recognised.

A further £172k of existing resource was reallocated between various schemes with no overall impact on the above totals.

The full breakdown of proposed changes and additions are detailed within appendix A of this report.

(John Edisbury)

*What are the **procurement** implications?*

Any subsequent sourcing activity arising from this funding allocation will be procured in accordance with the Council's Contract Procedure Rules. This will include satisfying value for money principles and with due regard to social, economic and environmental factors.

(Steve Boyd)

*What are the **legal** implications?*

There are no legal implications in this report. Legal Services will comment on the procurement activities involved in spending the budgets.

(Elizabeth Cunningham-Doyle)

*What are the **Human Resources** implications?*

N/A

***Equality and Diversity Impact Assessment** attached or not required because (please give reason)*

N/A

*What are the **property** implications*

N/A

**Risks:**

None

**Co-operative agenda**

The Transport Capital Programme is determined and approved centrally (involving Council and Unity officers at a senior level and the Portfolio Holder for Neighbourhood Services) so that schemes meet the Council's statutory duties and wider transport strategy objectives. In the light of decreasing levels of funding, the development of the programme reflects a co-operative approach, ensuring that where possible schemes meet multiple objectives and complement other capital and revenue programmes such as regeneration. This approach can often result in composite schemes comprising carriageway maintenance, safety enhancements, public realm, pedestrian and cycle improvements, which achieves better value for money.

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Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?

Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?

Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council? No

**List of Background Papers under Section 100D of the Local Government Act 1972:**

| Title | Available from |
|-------|----------------|
|       |                |

| Report Author Sign-off: | Date:                           |
|-------------------------|---------------------------------|
| Eleanor Sykes           | 25 <sup>th</sup> September 2019 |

Please list any appendices:-

| Appendix number or letter | Description   |
|---------------------------|---|
| Appendix A                | Proposed 2019/20 transport capital programme budget changes |

**Background:**

The Council’s Capital Strategy and Capital Programme 2019/20 to 2023/24 was approved by full Council on the 27<sup>th</sup> February 2019. This includes the principle that all unringfenced grants secured through the GM Local Transport Plan (LTP) be passported for investment in the highway network.

A three-year transport capital programme, plus a list of reserve schemes, is prepared (currently covering the period 2018/19 to 2020/21) by the Council for minor LTP funded works that include highway maintenance, bridges and structures, road safety, traffic management and cycling and walking schemes. This is dependent on GMCA distributing the LTP resource in line with the indicative Local Authority allocations calculated by the Department for Transport. Oldham’s allocations for the next 2 years are set out below:

- 2019/20    £1,973,430    (confirmed)
- 2020/21    £1,973,000    (indicative)

**Current Position**

The transport capital programme is subject to ongoing monitoring and review to ensure it continues to reflect current priorities, that budgets match expenditure and that take-up of available grant funding is maximised. Through this ongoing monitoring the need to make changes to budgets in the approved programme has arisen. There is additional funding being brought into the 2019/20 transport capital programme of £678,000 to reflect:

- Additional funding of £124,000 from the Environment Agency’s Grant in Aid as detailed below;
- Additional funding of £142,901 Pothole Action Fund 2019/20;
- Additional funding of £411,000 Local Highways Maintenance Incentive Fund 2019/20.

## **Proposals:**

### **Environment Agency Grant in Aid**

#### Broomes Park

In July 2019 CIPB were informed that a drainage scheme within the Transport Capital Programme 'Broomes Park, Chadderton' was currently on-site and well advanced but had hit several difficulties. The scheme was to install new drainage infrastructure along Broomes Park and Hunt Lane to alleviate historical flooding issues to properties on Broomes Park. The scheme contingency was used in full and the need for additional budget to be secured was the subject of the report. The scheme was completed on-site at the end of August.

The cost of the additional works required for the Drainage Scheme at Broomes Park was estimated at £200,000. This was to be funded as follows:

- £124,000 from the Environment Agency (not secured at that stage);
- £76,000 through underspends generated within the Transport Capital Programme.

The additional budget from the Environment Agency Grant in Aid has now been secured and will be brought into the programme following approval of this report. The £76,000 of resources within the transport capital programme has now also been confirmed and moved to this scheme.

### **Pothole Action Fund 2019/20**

In July 2019 we received confirmed via GMCA of our district allocation for 2019/20 from the Pothole Action Fund. The district allocations were advised by Department for Transport (DfT) and Oldham is to receive £142,901 for use in 2019/20.

This report introduces this additional grant funding of £142,901 Pothole Action Fund into the 2019/20 transport capital programme. The way in which schemes will be selected to utilise this funding in 2019/20 is as follows:

- Using the data currently held on the existing condition of the highway network, Unity will incorporate actionable defects, alongside pothole enquiries submitted by the public. Using this method, a working priority list, from which schemes will be selected, will be developed to deal with the locations in the worst condition as well as those that are of highest urgency to the public;
- This approach will not only remove existing defects, both actionable and those not yet actionable (but have been reported), but will also considerably lower the potential for further defects;
- The proposal is to remediate much larger sections (generally >100m<sup>2</sup> and of full carriageway width);
- We will work with the selected contractor to deliver small packages of work geographically to achieve value for money.

### **Local Highways Maintenance Incentive Fund**

In December 2014, the Secretary of State for Transport announced that £6 billion will be made available between 2015/16 and 2020/21 for local highways maintenance capital

funding. From this funding, £578 million has been set aside for an Incentive Fund scheme, to reward councils who demonstrate they are delivering value for money in carrying out cost effective improvements.

Each local highway authority in England (excluding London) was invited to complete a self-assessment questionnaire, in order to establish the share of the Incentive fund they will be eligible for in 2019/20. Local authorities are not competing with each other for funding but are demonstrating that efficiency measures are being pursued in order to receive their full share of the funding.


Oldham Council retained their Level 3 status and received notification of their Incentive Fund allocation of £411,000 for 2019/20. Schemes to utilise this funding were agreed in the Cabinet Report '3-Year Highways Improvement Programme (2019/20 – 2021/22)' on 25<sup>th</sup> March 2019 as follows:

|                       |   |              |                 |
|-----------------------|---|--------------|-----------------|
| <b>Middleton Road</b> | Cinder Hill Lane to Highlands           | Royton North | £186,978        |
| <b>Chadderton Way</b> | Burnley Lane to Featherstall Road North | Coldhurst    | £159,988        |
| <b>Cemetery Road</b>  | Full Length                             | Royton North | £64,034         |
|                       |   | <b>Total</b> | <b>£411,000</b> |

This report introduces this additional grant funding of £411,000 Local Highways Maintenance Incentive Fund into the 2019/20 transport capital programme.

#### **Conclusions:**

In consultation with



(Deputy Chief Executive People and Place)

Date: 21/10/2019