

## Delegated Cabinet Member Decision Report

<b>Decision Maker and Portfolio area:</b>	<b>Cllr A Jabbar, Cabinet Member for Finance and Green</b>
<b>Date of Decision:</b>	<b>15<sup>th</sup> October 2020</b>
<b>Subject:</b>	<b>Transport Capital Programme 2020/21: 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 2020/21 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 2020/21 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 2020/21 transport capital programme and proposes budget changes within the programme. There is additional funding being brought into the transport capital programme of £4.362m as outlined in Appendix A which will be spread across financial years 2020/21 and 2021/22.

Between Budget Update Report 1 for 2020/21 and this report, there has been several budgetary changes, including reprofiling and realignments as outlined in Appendix B.

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

**Option 1:**

- Agree the required budget adjustments as outlined in Appendix A and B 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 adjustments as outlined in this report and do not accept the additional grant monies.

**Recommendation(s):****Option 1:**

- Agree the required budget adjustments as outlined in Appendix A and B 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?*

The proposed 3 year Transport Capital Programme allocation is as follows:

	20/21	21/22	22/23	Total
	£'000	£'000	£'000	£'000
<b>Previous TCP Programme (CIPB Approval – 16.07.20)</b>	<b>18,856</b>	<b>21,383</b>	<b>2,275</b>	<b>42,514</b>
<b><u>Changes to Programme:</u></b>				
Reprofiling of Growth Deal 3 budget into 21.22	(333)	333		-
Reprofiling of Pru.Borrowing budget into 21.22	(1,136)	1,136		-
Reprofiling of MCF Challenge budget into 21.22	(1,045)	1,045		-
Reprofiling of LTP budget into 21.22	(1,843)	1,843		-
Budget transferred back to Royton District Executive	(6)			(6)
Budget transferred from Regeneration for resurfacing works at Shaw Street	20			20
Additional funding	288	4,074		4,362
<b>Revised TCP Programme</b>	<b>14,801</b>	<b>29,814</b>	<b>2,275</b>	<b>46,890</b>

A breakdown of additional funding totalling £4.362m requiring CIPB approval is detailed within Appendix A.

Appendix B details the £4.358m of existing resource that has been reallocated between various schemes in 2020/21, with no overall impact on the above totals.

(John Edisbury)

It is acknowledged that the Council's approved strategy is to passport the Local Transport Plan Government grant funding to transport schemes and to finance the local highways improvement programme from prudential borrowing. However, when the 2020/21 to 2024/25 Capital Strategy and Capital Programme were approved there was some financial certainty and the Council had a reasonable understanding of the financial challenge it was facing. The position has changed with the impact of the COVID-19 pandemic. There is now a requirement for the 2020/21 Revenue Budget, Capital Programme and the Medium-Term Financial Strategy 2020/21 to 2024/25 to be revised as many of the principles upon which these strategies were based can no longer be relied upon.

The financial implications of the pandemic remain very difficult to assess as much depends on the length of time the emergency continues, the phasing and extent of further restrictions and lockdowns, the level of Central Government support and Council priorities. The Council must give itself as much flexibility as possible to adjust its capital spending plans as it responds to the demands of a changing public sector environment having regard to the reduced resources that it is likely to have for the foreseeable future.

It is therefore essential that no decision is made to commit to a spending programme without having

regard to the wider financial and on-going service delivery requirements/implications.

A commitment to the transport programmes included in this report must therefore be considered in the context of potential future competing demands for capital resources and also the revenue budget that is committed to support the capital financing costs. Regard must also be had to the Council's financial risk minimization strategy. (Anne Ryans, Director of Finance – S151 Officer).

*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.

(Marc Hayes)

*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.

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

<b>Report Author Sign-off:</b> Eleanor Sykes	<b>Date:</b> 28 <sup>th</sup> September 2020
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Please list any appendices:-

Appendix number or letter	Description
Appendix A	Proposed 2020/21 transport capital programme budget changes (Additional Funding)
Appendix B	Reallocation – Reprofiling of Resources

**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 transport capital programme of £4,361,563 to reflect:

- £159,000 Grant in Aid from the Environment Agency for three studies relating to flooding in the Greenfield area;
- £28,563 from Department for Transport (DfT) Emergency Active Travel Fund relating to a scheme at Cheapside/West Street;

- £4,174,000 from Department for Transport (DfT) Challenge Fund for Wellington Road and Waterloo Street bridges (£100,000 in 2020/21 with the remainder in 2021/22).

## **Proposals:**

### **Valley Mews, Golburn Clough and Oak View Road, Greenfield**

Three additional schemes are being brought into the transport capital programme in 2020/21. We've secured £159,000 of Grant in Aid to progress detailed investigation and design work for three separate flood management schemes at the above-named locations in Greenfield (£53,000 per area) where properties in the vicinity have experienced flooding. This work is about to commence and will be complete by the end of 2020/21. Depending on the outcome of the studies we would be seeking to secure further capital funding to deliver schemes at these locations in 2021/22 from the Environment Agency.

### **DfT Emergency Active Travel Fund (EATF)**

We have secured £28,563 through the Department for Transport's Covid-19 related Emergency Active Travel Fund Tranche 1. This was part of a GM bid for schemes to support cycling and walking, which must be delivered by the end of 2020.

Oldham's allocation is to deliver a scheme to reallocate road space to pedestrians on Cheapside/West Street.

### **DfT Highways Maintenance Challenge Fund 2020/21**

On 30<sup>th</sup> June 2020 we received notification of the successful outcome of our DfT Challenge Fund Structures bid of late-2019 (Wellington Street and Waterloo Street bridges on the Oldham Way Bypass) in which we've secured £4.174m from the DfT.

This funding can be carried forward into future financial years so this budget will be profiled as £100,000 in 2020/21 to begin to progress the detailed design and necessary surveys for the works. The rest of the budget will be utilised across 2021/22 and beyond if necessary.

In consultation with



(Deputy Chief Executive People and Place)

Date: 19 October 2020